

# ***SAVANNA, ILLINOIS***

**Highway 84 and Wacker Road  
Tax Increment Finance  
Redevelopment Project Area**

**Redevelopment Plan  
June 2016**



***Prepared by:***

***Kathleen Field Orr  
Kathleen Field Orr & Associates  
53 West Jackson Blvd., Suite 964  
Chicago, Illinois 60604  
[kfo@kfoassoc.com](mailto:kfo@kfoassoc.com)***

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Figure 1: Legal Description and Redevelopment Project Area Boundary

Figure 2: Zoning Map

Exhibit A: Eligibility Study

## I. ***Tax Increment Financing.***

In February 1977, the Illinois General Assembly passed the initial version of what is now the present Tax Increment Allocation Redevelopment Act the (“*Act*”). This 1977 legislation was the initial authorization of tax increment financing (“*TIF*”) in Illinois. The General Assembly has amended the Act many times since 1977, and it is now found in 65 ILCS 5/11-74.4-1 *et seq.* The Act provides a means for municipalities, after the approval of a Redevelopment Plan, designation of a Redevelopment Project Area and adoption of tax increment allocation financing, to redevelop blighted, conservation, or industrial park conservation redevelopment project areas and to finance “redevelopment project costs” (“*Redevelopment Project Costs*”) with “incremental property tax revenues” (“*Incremental Property Taxes*”). Incremental Property Taxes are derived from the increase in the equalized assessed valuation (“*EAV*”) of taxable real property within the Redevelopment Project Area over and above the equalized assessed value of such property at the time tax increment allocation financing is adopted (“*Initial EAV*”). Any year-to-year increase in EAV over the Initial EAV of such property is then multiplied by the current tax rate, which results in Incremental Property Taxes.

The Act defines a number of eligible items that qualify as Redevelopment Project Costs. Incremental Property Taxes may pay for many of these Redevelopment Project Costs or may be pledged to pay bonds, notes or other obligations issued for that purpose. In addition, a municipality may pledge, as payment, additional revenues including revenues from the Redevelopment Project, municipal property taxes or other revenue sources, and may issue bonds backed by the general obligation of the municipality or payable solely from Incremental Property Taxes and other sources.

As stated above, as a result of the adoption of TIF, Incremental Property Taxes are captured as new tax revenues generated by the increase in the EAV over the Initial EAV. This increased EAV of properties can result from a municipality’s redevelopment program, improvements, various developments and redevelopment activities, and the reassessment of properties. Under the Act, all taxing districts continue to receive property taxes levied by application of their tax rates on the Initial EAV of properties within the Redevelopment Project Area. Taxing districts benefit from the increased property tax base after Redevelopment Project Costs and obligations have been paid. If the taxing districts have buildings and structures in the Redevelopment Project Area, those facilities are eligible for repair, remodeling and rehabilitation to the extent funds are available.

## II. *City of Savanna.*

Savanna, a community with small-town charm, covers an area of 2.714 square miles located on the banks of the Mississippi River in Carroll County, Illinois. As of the 2010 census, Savanna's population was 2,945 and is currently estimated to be slightly more than 2900. The City is conveniently located 140 miles west of Chicago and approximately 31 miles southeast of Galena, Illinois. Savanna is a non-home rule municipality governed by a City Council comprised of a Mayor and eight (8) Aldermen representing four (4) wards. Savanna is served by Highway 84, a major north-south artery and Il. Route 64 and U.S. Route 52 which runs through the center of town.

Savanna was first settled in 1828 and began to grow. The City built its first City Hall in 1874 and received its City charter from the State of Illinois in 1875. In its early years, Savanna was known as a popular place for steamboats to stop during their trips down the Mississippi. After the Northern Illinois Railroad Company laid track between Lanark and Savanna in 1862, and additional track was laid by the Chicago, Burlington and Quincy Railroad company in 1885, Savanna became known as a transportation hub for the area. The town's railroads and proximity to the Mississippi River spurred development and the population grew quickly. By the turn of the century, Savanna was a "boom town" with its population growing to 4,000 until it peaked in 1920 at 5,237.

In 1917, the United States Army purchased 13,062 acres north of Savanna and constructed an Army Depot initially used as a testing range for munitions and later served as a munitions maintenance and storage facility. From the 1920's through 1940, the City's economy was dependent upon the railroad and the Army Depot. World War II boosted the local economy due to substantial increased activity at the Army Depot and railroad activity adding new jobs and employment opportunity. At its peak, 2000 civilian employees worked at the Army Depot in the early 1960's to secure stored munitions.

In 1929, the State of Illinois purchased 54 acres of land laying just north of Savanna, and that part of the area became known as Mississippi Palisades State Park. The State park is now 2,500 acres and is one of the most popular destinations in the area, attracting more than a million tourists each year. The park features steep cliffs, limestone caves, and a plethora of trails made for exploring. Visitors can enjoy rock climbing, hiking, fishing, and boating when camping in the park.

Savanna has experienced serious decline due to the demise of the railroad industry which had, at one time, accounted for forty-seven percent (47%) of its local economy. In addition, activity at the Army Depot began to decline. In 1995, as a part of the U.S. government realignment of its facilities, the Savanna Army Depot was identified as one of the bases to be closed.

In 2000, the Army Depot was shuttered, however, the Local Redevelopment Authority was formed to redevelop the area and continues to work to bring new business and jobs to the area.

Attractions in and around the town of Savanna include a plethora of small shops such as River Valley Flowers & Gifts, Savanna Marketplace and Sassy Stems. On the south end of Savanna on Highway 84 is Poopy's Pub and Grub – a popular and unique destination that features not only a restaurant and bar, but also a live music venue, tattoo parlor, gift shop, and woodsy cabins where patrons can stay overnight. Poopy's is also a favorite destination for motorcycle riders from all around the area. Savanna's commercial district has a variety of family/small business-owned restaurants such as Manny's Pizza and Café Crumbles, which attract both locals and tourists passing through. Several local bed and breakfasts and hotels/motels in Savanna welcome visitors looking to take in the small town charm.

Today, Savanna's charms continue to be discovered. With its tree-lined streets and historic architecture, the City has an air of permanence that accompanies its casual, small town appeal. In large part, Savanna has been able to remain immune to changes seen in other towns and cities. Much of original architecture can still be found throughout the town. As a mature but quaint town, Savanna remains desirable as a community in which to reside or visit. However, as a smaller community with minimal growth, consideration of incentives to revitalize the City's commercial districts is essential to the retention of its population.

### III. ***Redevelopment Project Area.***

The City identified a specific area to be included in the proposed Highway 84 and Wacker Road Redevelopment Project Area covering both improved and vacant areas comprising approximately 478 acres and 262 parcels. The improved area includes Savanna's downtown district and contains a mix of commercial, residential and public uses. There are 164 primary buildings, 61 are inhabited residential units. The vacant area consists of approximately 221 of the total 478 acres, and includes 42 tax parcels within the Savanna Meadows Subdivision along with wetlands and rail tracks and yards for both the Burlington Northern Santa Fe and Canadian Pacific railroads. The Redevelopment Project Area consists of those properties generally located within the City's downtown district from Van Buren Street to Chicago Avenue bounded by the east side of Main Street and the Mississippi River to the west, sporadically including properties along 3rd Street; the properties generally south of Chicago Avenue along the Mississippi River on the west and S. 4th Street on the east and the railroad yards to the south; properties bound by Chicago Avenue to the north, E. 5th Street to the east, S. 4th Street to the west and alley north of Bowen Street to the south; the properties generally bound by Oak Street to the north and the railroad yards to the south from S. 4th Street to the west heading east to Viaduct Road; properties generally fronting both sides of Chicago Avenue from Viaduct Road to Calumet Street; the railroad tracks and wetlands east of Viaduct Road north of Portland Avenue; properties generally along Portland Avenue, including properties just west of Iris Street on the north side and properties east of Iris Street on the south side to Wacker Road; properties generally bounded by Spruce Street on the west to the railroad tracks on the northeast and Wacker Road to the south; properties south of Wacker Road from Penn Avenue on the east to Beech Street on the west; and properties generally bound along Viaduct Road on the east side from Wacker Road to the City's corporate limits to the south, including parcels east of Eaton Street and south of Skain Street. The legal description of the proposed Redevelopment Project Area and a map of the boundaries of the proposed Redevelopment Project Area is shown in *Figure 1*.

In order to qualify as a Redevelopment Project Area under the Act, the Mayor and City Council authorized an Eligibility Study of both the improved and vacant areas. The purpose of this study is to document those factors which are present to a meaningful extent thereby qualifying the area as a Redevelopment Project Area pursuant to the Act. A copy of the Eligibility Study is attached hereto as *Exhibit A* and made a part hereof by this reference. In order to adequately document those factors, the proposed Redevelopment Project Area was divided into subareas for purposes of investigation. As a result of the Eligibility Study, it can be concluded that the improved area qualifies as a "conservation area" of the proposed Redevelopment Project Area and the vacant area qualifies as a "blighted area".



#### IV. ***Redevelopment Plan to Address Existing Conditions.***

- A. Pursuant to the Act, the City of Savanna anticipates the designation of the aforesaid properties along Highway 84 and Wacker Road as a Redevelopment Project Area in order to use tax increment financing to pay Redevelopment Project Costs and to stimulate private investment for development and redevelopment thereby eliminating those conditions, the existence of which qualified the improved area of the proposed Redevelopment Project Area as a “conservation area” and the vacant area a “blighted area”. Under the Act, the preparation of a Redevelopment Plan setting forth a guide to be undertaken for activities with a goal toward stimulating comprehensive and coordinated development in order to induce private investment is the initial step.

As required by the Act, each Redevelopment Plan must include the program to be undertaken by the municipality in order to complete its objectives and must set forth the following:

1. an itemized list of estimated redevelopment project costs;
2. evidence indicating that the redevelopment project area on the whole has not been subject to growth and development through investment by private enterprise;
3. an assessment of any financial impact of the redevelopment project area on or any increased demand for services from any taxing district affected by the plan and a program to address such financial impact or increased demand;
4. the sources of funds to pay development or redevelopment costs;
5. the nature and term of the obligations to be issued, if any;
6. the most recent equalized assessed valuation of the proposed Redevelopment Project Area;
7. an estimate as to the equalized assessed valuation after redevelopment and the general land uses to apply in the proposed Redevelopment Project Area;
8. a commitment to fair employment practices and an affirmative action plan;

9. if it concerns an industrial park conservation area, the plan shall also include a general description of any proposed developer, user and tenant of any property; a description of the type, structure and general character of the facilities to be developed, a description of the type, class and number of new employees to be employed in the operation of the facilities to be developed; and,
  10. if property is to be annexed to the municipality, the plan shall include the terms of the annexation agreement.”
- B. The Act prohibits the adoption of a Redevelopment Plan unless the municipality complies with the following:
1. The municipality finds that the proposed redevelopment project area on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of the redevelopment plan.
  2. The municipality finds that the redevelopment plan and project conform to the comprehensive plan for the development of the municipality as a whole, or, for municipalities with a population of 100,000 or more, regardless of when the redevelopment plan and project was adopted, the redevelopment plan and project either: (i) conforms to the strategic economic development or redevelopment plan issued by the designated planning authority of the municipality, or (ii) includes land uses that have been approved by the planning commission of the municipality.
  3. The redevelopment plan establishes the estimated dates of completion of the redevelopment project and retirement of obligations issued which may be issued to finance redevelopment project costs. Those dates may not be later than the dates set forth under Section 11-74.4-3(n)(j)(3); *i.e.*, not later than December 31 of the year in which the payment to the municipal treasurer of Incremental Property Taxes is to be made with respect to real estate taxes levied in the twenty-third year after the year in which the ordinance approving the Redevelopment Project Area (as hereinafter defined) is adopted.



## V. ***Redevelopment Project Area Goals and Objectives.***

### A. *Redevelopment Project Area Goals.*

In order to benefit from the Act and achieve new private investment within the proposed Redevelopment Project Area, the City must establish a framework for guiding decisions to be made as a part of the implementation of this Redevelopment Plan. These include:

1. Improvement of the quality of life in the Redevelopment Project Area and the City.
2. Creation of an environment within the Redevelopment Project Area that will contribute more positively to the health, safety and general welfare of the City and preserve or enhance the value of properties in and adjacent to the Redevelopment Project Area.
3. An increase in the sales tax base of the City and the property tax base of overlapping taxing districts.
4. Addition of new amenities, businesses and services to the City thereby creating new jobs and retaining existing jobs for City and area residents.
5. Strengthening the economy and future economic viability of the City and the larger community.
6. Stabilizing a revitalized downtown business district.
7. Rehabilitation and renovation of structures within the Redevelopment Project Area and the City.
8. Sound economic development within the Redevelopment Project Area that is consistent with the comprehensive plan for the development of the City as a whole.

### B. *Redevelopment Objectives.*

The designation of the Redevelopment Project Area as a Redevelopment Project Area under the Act shall grant the City the power to:

1. Reduce or eliminate those conditions that are leading to or causing blight and qualifying the vacant area of the Redevelopment Project Area as a “vacant blighted area”. Reduce or eliminate those blighting conditions in the improved “conservation area” which qualified said area as a Redevelopment Project Area. Such conditions include deterioration, inadequate utilities, presence of structures being below minimum code standards, deleterious land use and lack of community

planning and are more fully described in the Eligibility Study in order to encourage the development and redevelopment of the Redevelopment Project Area.

2. Encourage preservation of the historic appearance of buildings, rights-of-way, and open spaces and encourage the development and improved standards of design.
3. Strengthen the economic vitality of the Redevelopment Project Area by increasing business activity, improving the tax base, and providing job opportunities.
4. Stimulate through incentives, if necessary, new private investment in improvements and redevelopment within the Redevelopment Project Area.
5. Provide needed public improvements to the infrastructure or facilities in proper relationship to the projected demand for such facilities and in accordance with present-day standards for such facilities. Infrastructure improvements should address the problems cited in the Eligibility Study in order to encourage development and redevelopment of the Redevelopment Project Area.
6. Provide needed financial assistance, if necessary, to induce a broad range of improvements.
7. Provide the renovation and rehabilitation of structures where economic obsolescence is a material impediment to the development or redevelopment of the Redevelopment Project Area.
8. Address the deteriorating street pavement, parking and service areas.
9. Improve the visual attractiveness of the City through landscaping and coordination of design in the Redevelopment Project Area.
10. Improve opportunities for commercial, office and mixed-use development and redevelopment.
11. Enhance the sustainability of the City by re-establishing it as a desirable place to live and work thereby retaining and increasing its population.
12. Improve opportunities for commercial, office and mixed-use development and redevelopment.

C. Redevelopment Implementation Strategy.

The implementation and conclusion of a well-devised redevelopment strategy is a key element in the success of this Redevelopment Plan. In order to maximize program efficiency and to take advantage of development interest in the Redevelopment Project Area, and with full consideration of available funds, the City intends to proceed in an expeditious manner.

A combination of public and private investments and public and private improvements is an essential element of this Redevelopment Plan. In order to achieve the foregoing investments and improvements, the City may enter into agreements, including agreements with private developers, proposing that TIF assistance may be provided, where deemed appropriate, to facilitate private projects and development. The City may also contract with other entities, including governmental units, to accomplish certain public and private projects as contained in this Redevelopment Plan. A zoning map of the City is shown in *Figure 2*.

## VI. *Lack of Development, Growth and Fiscal Impact on Taxing Districts.*

### A. Evidence of the lack of development and growth within the Redevelopment Project Area.

As documented in the Eligibility Study, the Redevelopment Project Area has suffered from a lack of growth and development through investment by private enterprise and qualifies as a “conservation area” for the improved land portion and a “blighted area” for the vacant portion. Absent financial assistance from the City, development or redevelopment in the Redevelopment Project Area is not reasonably anticipated to occur.

The Redevelopment Project Area’s blighting conditions, as documented in the Eligibility Study, are reasonably present to a meaningful extent, are reasonably distributed throughout the Redevelopment Project Area, and will continue to worsen if not addressed by the City. In addition, these conditions discourage private sector investment whether in development of residential opportunities or commercial enterprises or in the redevelopment of existing facilities. Accordingly, the City finds that actions taken, at least in part, through the implementation of this Redevelopment Plan will significantly mitigate such problems.

### B. Assessment of Fiscal Impact on Affected Taxing Districts.

It is not anticipated that redevelopment projects implemented as part of this Redevelopment Plan will have a negative financial impact on or cause increased demand for services or capital improvements from any taxing district affected by the Redevelopment Plan. No current property taxes will be diverted from any taxing district. Instead, taxing districts could benefit from distributions of any surplus tax increment. Capital funds will also be available to assist in the development of public improvements. The Redevelopment Project Costs set forth in this Section VI of this Redevelopment Plan provide for significant amounts to pay taxing district capital costs in accordance with the Act should impacts be greater than expected.

The following is an assessment of the impact on each individual taxing district:

#### Carroll County

There is expected to be no impact and no expected increase in demand for services or negative financial impact.

#### Illinois Community College District #519 (Highland Community College)

There is expected to be no impact and no expected increase in demand for services. Funds are also available for job training.

#### Savanna Park District

There is expected to be minimal impact and minimal expected increase in demand for services or any negative financial impact; provided, however, funds have been allocated in the budget of estimated Redevelopment Project Costs hereinafter set forth for reimbursement of capital costs incurred as a result of activities in the Redevelopment Project Area.

#### City of Savanna

There is expected to be minimal impact and minimal expected increase in demand for services. Funds are available for capital projects undertaken by the City within the Redevelopment Project Area.

#### West Carroll Unit School District 314

Residential development may be a component of the implementation of the Redevelopment Plan for the Redevelopment Project Area. In the event the net amount of students from development undertaken in the Redevelopment Project Area increases as a result of the TIF assistance to the development of housing units, funds have been allocated in the budget for estimated Redevelopment Project Costs hereinafter set forth for reimbursement pursuant to the Act. In addition, funds are available for capital costs which may be incurred by the district as a result of activities in the Redevelopment Project Area.

#### Savanna Public Library District

There is expected to be no impact and no expected increase in demand for services or negative financial impact; provided, however, if an increase in demand for services occurs as a result of activities within the Redevelopment Project Area, funds have been budgeted as hereinafter set forth for reimbursement in accordance with the Act.

#### Savanna Township

There is expected to be no impact and no expected increase in demand for services or negative financial impact.

#### Tri-Township Municipal Airport Authority

There is expected to be no impact and no expected increase in demand for services or negative financial impact.

## VII. *Redevelopment Activities.*

Pursuant to the goals and objectives as stated in Article V, the City will implement a coordinated program of action. The City may use any program element authorized by the Act including, but not limited to, those listed below. The City proposes to achieve the redevelopment goals and objectives of this Redevelopment Plan for the Redevelopment Project Area through the use of “incremental property taxes” available to it pursuant to the Act and through public financing techniques including, but not limited to, tax increment financing and by utilizing such other financing techniques deemed necessary to undertake some or all of the following activities and improvements:

1. *Analysis, Administration, Studies, Surveys, Legal, etc.*

The City may undertake or engage professional consultants, engineers, architects, attorneys, etc. to conduct various analyses, design façade improvements, study alternative potential uses, survey current needs for the City, provide legal services to establish, implement and administer the Redevelopment Plan.

2. *Property Assembly*

The City, or an agent for the City, may acquire and assemble land for the purpose of development or redevelopment. Underutilized or misused property may be acquired by purchase, exchange, or long-term lease by private developers or the City for the purpose of new development or redevelopment.

3. *Land Preparation*

The City may assist in the preparation of land to include demolition, environmental remediation, and flood mitigation.

4. *Rehabilitation and Lease Hold Improvements*

The City may assist in rehabilitation, remodel, repair, and lease hold improvements.

5. *Land Acquisition*

The City may purchase land within the proposed Redevelopment Project Area.

6. *Development or Redevelopment Agreements*

The City may enter into development and redevelopment agreements with private or public entities in the furtherance of this Redevelopment Plan. Such agreements may be for the assemblage of land, construction of improvements or facilities, improvement of access, the provision of services, reimbursement of eligible redevelopment project costs under the Act or any other lawful purpose.



Agreements may contain terms and provisions that are more specific than the controls that are summarized in this Redevelopment Plan.

In the case where a private individual or entity received benefits under the Act for the purpose of originating, locating, maintaining, rehabbing, or expanding a business facility and abandons or relocates its facility in violation of a redevelopment agreement, the City of Savanna reserves the right to collect reimbursement for funds extended in accordance with the Act.

#### 7. *Provision of Public Works or Improvements*

The City may provide public works and improvements that are necessary to service the Redevelopment Project Area in accordance with the Redevelopment Plan. Public works and improvements may include, but are not limited to, the following:

- **Streets, Sidewalks, Lighting, Utilities, and Parking**  
Public infrastructure improvements may be necessary to adequately serve the Redevelopment Project Area and potential new development. Improved access will be necessary to develop portions of the Redevelopment Project Area. Certain infrastructure improvements, in connection with and adjacent to the Redevelopment Project Area, may be necessary to advance the goals and objectives of this Redevelopment Plan. It is expected that streets, sidewalks, utilities (including any electrical or data upgrades needed to accommodate current technology), and parking improvements will be part of any redevelopment activity.
- **Landscaping**  
Landscape/buffer improvements, street lighting and general beautification improvements may be provided.
- **Sanitary Sewer System**  
Improvements and rehabilitation of sanitary sewer mains to eliminate sewer backup including the relining of existing sewer mains and replacement of manholes. In addition, improvements to the City's wastewater treatment system must be made, including the construction of a new waste water treatment plant.
- **Stormwater Management**  
Analysis of the existing stormwater management structure and improvements as may needed to be created to reduce stormwater runoff.
- **Coordinate Design for Improvement within the Redevelopment Project Area**  
Where possible, design elements should be planned in such a way as to make the Redevelopment Project Area aesthetically pleasing. Consistent and coordinated design patterns should be promoted.

- **Job Training**  
The City may assist facilities and enterprises located within the Redevelopment Project Area in obtaining job training assistance. Job training and retraining programs currently available from or through other governments include, but are not limited to:
  - Federal programs;
  - State of Illinois programs;
  - Applicable local vocational educational programs, including community college sponsored programs; and,
  - Other federal, state, county, or non-profit programs that are currently available or will be developed and initiated over time.
- **Interest Subsidy**  
Funds may be provided to reimburse redevelopers for a portion of interest costs related to the construction of qualifying redevelopment facilities and improvements.
- **Assist in Financing Redevelopment Project Area Contiguous TIFs**  
Funds derived from either this Redevelopment Project Area or others that may be contiguous are eligible to be used for the support of the other redevelopment programs under this Redevelopment Plan.

## VIII. *Estimated Redevelopment Project Costs.*

The Act defines Redevelopment Project Costs as the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to the Redevelopment Plan and its implementation through development and redevelopment projects. All costs to be paid or reimbursed in the Redevelopment Project Area will conform to this definition.

A wide range of redevelopment activities and improvements will be required to implement the Redevelopment Plan. The activities and improvements and their estimated costs (2016 dollars) are summarized below. To the extent that obligations are issued to pay for such Redevelopment Project Costs prior to, and in anticipation of, the adoption of TIF and designation of the Redevelopment Project Area, the City may directly pay or be reimbursed from Incremental Property Taxes for such Redevelopment Project Costs to their fullest extent. These costs are in addition to total Redevelopment Project Cost.

The total Redevelopment Project Costs set forth below are an upper estimate of expenditures and do not commit the City to undertake any particular Redevelopment Project Costs.

While all of the costs in the budget below are eligible Redevelopment Project Costs under the Act and this Redevelopment Plan, inclusion herein does not commit the City to finance all of these costs with TIF funds.

### A. Total Redevelopment Project Budget

1. Costs of studies, surveys, development of plans and specifications, implementation and administration (annual administrative costs shall not include general overhead or administrative costs of the municipality that would still have been incurred by the municipality if the municipality had not designated a Redevelopment Project Area or approved a Redevelopment Plan) of the Redevelopment Plan including, but not limited to, staff and professional service costs for architectural, engineering, legal, financial, planning or other services, as provided for by 65 ILCS 5/11-74.4-3(q)(1-1.5).

\$250,000.00

2. Costs of marketing sites within the Redevelopment Project Area to prospective businesses, developers, and investors, as provided for by 65 ILCS 5/11-74.4-3(q)(1.6).

\$50,000.00

3. Property assembly costs, including, but not limited to, acquisition of land and other property, real or personal, or rights or interests herein, demolition of buildings, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to, parking lots and other concrete or asphalt barriers, and the clearing and grading of land, as provided for by 65 ILCS 5/11-74.4-3(q)(2).

\$500,000.00

4. Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, fixtures, and leasehold improvements; and the cost of replacing an existing public building if pursuant to the implementation of a redevelopment project, the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment; including any direct or indirect costs relating to Green Globes or LEED certified construction elements or construction elements with an equivalent certification, as provided for by 65 ILCS 5/11-74.4-3(q)(3).

\$1,000,000.00

5. Costs of the construction of public works or improvements, including any direct or indirect costs relating to Green Globes or LEED certified construction elements or construction elements with an equivalent certification, as provided for by 65 ILCS 5/11-74.4-3(q)(4).

\$5,000,000.00

6. Costs of job training and retraining projects, including the cost of “welfare to work” programs implemented by businesses located within the Redevelopment Project Area, as provided for by 65 ILCS 5/11-74.4-3(q)(5).

\$150,000.00

7. Financing costs, including, but not limited to, all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations including interest accruing during the estimated period of construction of the Redevelopment Project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto, as provided for by 65 ILCS 5/11-74.4-3(q)(6).

\$5,000,000.00

8. To the extent the City, by written agreement, accepts and approves the same, all or a portion of a taxing district’s capital costs resulting from the Redevelopment Project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the Redevelopment Plan (impacts such as those on the City may be addressed through these funds), as provided for by 65 ILCS 5/11-74.4-3(q)(7).

\$300,000.00

9. Relocation costs to the extent that a municipality determines that relocation costs shall be paid or the municipality is required to make payment of relocation costs by federal or State law or in order to satisfy subparagraph (7) of subsection (n) of Section 11-74.4-3 of the Act, as provided for by 65 ILCS 5/11-74.4-3(q)(8).

\$100,000.00

10. Payment in lieu of taxes, as provided by 65 ILCS 5/11-74.4-3(q)(9).

\$500,000.00

11. Cost of job training, retraining, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in a Redevelopment Project Area; and (ii) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality and the taxing district or taxing districts, which agreement describes the program to be undertaken, including, but not limited to, the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of the School Code, as provided for by 65 ILCS 5/11-74.4-3(q)(10).

\$150,000.00

12. Interest cost incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project, as provided for by 65 ILCS 5/11-74.4-3(q)(11).

\$500,000.00

13. Contributions of incremental revenues transferred to contiguous redevelopment project areas, as provided for by 65 ILCS 5/11-74.4-4(q).

\$1,000,000.00

***Total Estimated Costs***

\$19,900,000.00

Notes regarding Redevelopment Project Costs:

- a. All costs are in 2016 dollars and may be increased annually after adjusting for annual inflation reflected in the Consumer Price Index (CPI) for all Urban Consumers in U.S. Cities, published by the U.S. Department of Labor, as allowed by the Act.
- b. Private redevelopment costs and investment are in addition to the above.
- c. To the extent permitted by law, the City reserves the right to adjust and transfer budgeted amounts within the Total Estimated Costs within the Total Redevelopment Project Budget among the categories of eligible Redevelopment Project Costs set forth therein, provided any such adjustment or transfer shall not increase the Total Redevelopment Project Budget, other than as otherwise provided in *a.* above.
- d. Certain infrastructure work in connection with and appurtenant to the Redevelopment Project Area can be undertaken under the Act.
- e. Total budgeted costs exclude any additional financing costs, including interest expense, capitalized interest, and any and all closing costs associated with any obligations issued, which shall be in addition to the Total Redevelopment Project Budget.
- f. In the case where a private individual or entity received benefits under the Act for the purpose of originating, locating, maintaining, rehabilitating, or expanding a business facility abandons or relocates its facility in violation of a redevelopment agreement, the City of Savanna reserves the right to collect reimbursement for funds extended in accordance with the Act.

The City may pay directly or reimburse developers who incur Redevelopment Project Costs authorized by a development or redevelopment agreement.

The City reserves the right to utilize revenues received under the Act for eligible costs from one Redevelopment Project Area in another Redevelopment Project Area that is either contiguous to, or is separated only by a public right-of-way from, the Redevelopment Project Area from which the revenues are received.

It is anticipated that the City may choose to stage City expenditures for Redevelopment Project Costs on a reasonable and proportional basis to coincide with redevelopment project expenditures by private developers and the receipt of revenues from the Redevelopment Projects.



B. Sources of Funds to Pay Redevelopment Project Costs.

Incremental Property Taxes are expected to be a principal source of funds to pay Redevelopment Project Costs and provide security for municipal general and revenue obligations issued for that purpose. As stated above, the City may also derive funds from Incremental Property Taxes received from contiguous Redevelopment Project Areas. The City may pledge as payment additional revenues including revenues from the Redevelopment Project Area, municipal property taxes, certain local sales or utility taxes, special service area taxes, the proceeds of property sales, certain land lease payments, certain Motor Fuel Tax revenues, and bonds backed by the general obligation of the City. In addition, the City may utilize state and federal grants or loans and certain investment income. Finally, the City may permit the utilization of guarantees, deposits, and other forms of security made available by private sector developers.

The City certifies that Incremental Property Taxes will be exclusively utilized for the development of the Redevelopment Project Area or in a contiguous Redevelopment Project Area as permitted by the Act. Certain infrastructure work in connection with and appurtenant to the Redevelopment Project Area can be undertaken under the Act. Incremental Property Taxes will be used according to the budget set forth in this Redevelopment Plan for the development of the Redevelopment Project Area.

C. Nature and Term of Obligations to Be Issued.

The City may issue obligations secured by or payable from Incremental Property Taxes pursuant to the Act. To enhance the security of such municipal obligations, the City may pledge its full faith and credit through the issuance of general obligation bonds. Additionally, the City may provide other legally permissible credit enhancements to any obligations issued pursuant to the Act. All obligations issued by the City pursuant to this Redevelopment Plan and the Act shall be retired by the end of the 24<sup>th</sup> year after the year of adoption of the initial ordinances approving the Redevelopment Project Area and Redevelopment Plan.

In addition to paying Redevelopment Project Costs, Incremental Property Taxes may be used for the scheduled retirement of obligations, mandatory or optional redemptions, establishment of debt service reserves and bond sinking funds, and any other lawful purpose. To the extent that Incremental Property Taxes are not needed for these purposes, any excess Incremental Property Taxes may then become available for distribution annually to taxing districts within the Redevelopment Project Area in the manner provided by the Act.

The scheduled final maturity date of any financial obligation may not exceed 20 years from the date of issuance. One or more series of obligations may be issued to implement the Redevelopment Plan for the Redevelopment Project Area. Subsequent obligations, if any, may be issued as junior lien obligations or as parity obligations.

IX. ***Most Recent Equalized Assessed Valuation for the Redevelopment Project Area.***

The most recent equalized assessed valuation for the Redevelopment Project Area is based on 2015 and is \$6,720,475 for the improved area; \$31,725 for the vacant area; a total of \$6,752,200.

X. ***Anticipated Equalized Assessed Valuation for the Redevelopment Project Area.***

Upon completion of the redevelopment of the Redevelopment Project Area over a twenty-three (23) year period, it is estimated that the EAV of the property within the Redevelopment Project Area would increase to between approximately \$12,000,000 to \$15,000,000 depending upon market conditions and the scope of the redevelopment projects.

XI. ***Commitment to Fair Employment Practices and an Affirmative Action Plan.***

The City is committed to and will affirmatively implement the assurance of equal opportunity in all personnel and employment actions with respect to this Redevelopment Plan. This includes, but is not limited to: hiring, training, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, termination, etc. without regard to any non-merit factor, including race, national origin, color, religion, sex, sexual orientation, gender identity, disability (physical or mental), age, marital status, status as a parent, or genetic information.

In order to implement this principle for this Redevelopment Plan, the City shall require and promote equal employment practices and affirmative action on the part of itself and its contractors and vendors. In particular, parties engaged by the City shall be required to agree to the principles set forth in this section.

**XII. *Completion of Redevelopment Project and Retirement of Obligations Issued to Finance Redevelopment Project Costs.***

The Redevelopment Project is to be completed and all obligations issued to finance Redevelopment Project Costs are to be retired upon receipt of the incremental property taxes generated from the twenty-third (23<sup>rd</sup>) year after the adoption of an ordinance designating the Redevelopment Project Area. The actual date for such completion and retirement of obligations shall not be later than December 31 of the year in which the payment to the City treasurer pursuant to the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year after the year in which the ordinance approving the Redevelopment Project Area was adopted.



### XIII. *Provisions for Amending the Redevelopment Plan and Project*

This Redevelopment Plan may be amended pursuant to the provisions of the Act.

A part of the South Half of Section 4, the East Half of Section 9, Section 10, Section 11, the North Half of Section 14, and the Southwest Quarter of Section 12, all in Township 24 North, Range 3 East of the Fourth Principal Meridian, Carroll County, Illinois, more particularly described as follows: Beginning at the Northeast corner of Section 14, Township 24 North, Range 3 East of the Fourth Principal Meridian, Carroll County, Illinois; Thence Southerly, along the East line of said Section 14, a distance of 555.75 feet, more or less, to the Southeast corner of the tract of land owned by Metform, LLC, and having a parcel identification number of 08-07-14-200-005; Thence Westerly, along the South line of said tract and the Westerly extension thereof, to the point in which it intersects with the East line of the parcel of land conveyed to the Savanna Community Unit School District, described in Book 619 of Deeds at Page 212, and having a parcel identification number of 08-07-14-200-003; Thence South and West, along the East and South boundary of said parcel, to where it intersects with the East line of the property having a parcel identification number of 08-07-14-200-008; Thence South, along the said East line, to the centerline of Plum River; Thence Westerly, along the said centerline of Plum River, to the point in which it intersects with Westerly Right of Way line of Illinois Route 84; Thence Northerly, along the said Right of Way line, to the Southeast corner of the boundary of the property owned by Nathan A. Rubio and having a parcel identification number of 08-07-14-100-010; Thence Westerly and Northerly, in a clockwise direction around the exterior of said parcel, to the Northeast corner of said parcel, being on the said Westerly Right of Way line of Illinois Route 84; Thence Northeasterly, perpendicular to the centerline of said Illinois 84, to a point on the Easterly Right of Way line of said highway; Thence Northwesterly, along the said Easterly Right of Way line, to the point in which it intersects with the Northerly line of Lot 17 in Block 2 of South Savanna, being a part of the East Half of the Southwest Quarter of Section 11, Township 24 North, Range 3 East; Thence Northeasterly, along the North line of said Lot 17, to the Northeast corner thereof; Thence Southeasterly, along the Easterly line of said Lot 17, and the Southerly extension thereof, to where it intersects with the South Right of Way line of Wacker Road; Thence Easterly, along the said South Right of Way line, to where it intersects with the East Right of Way line of Eaton Street; Thence South, along the said East Right of Way line, to where it intersects with the North Right of Way line of Skain Street; Thence East, along the said North Right of Way line, to where it intersects with the East line of the Northwest Quarter of Section 14, said point being on the West line of the property having a parcel identification number of 08-07-14-200-001; Thence South, along the said West line, to the Southwest corner of said property; Thence East, along the South line of said property, a distance of 391.87 feet, more or less, to the Southeast corner of said property; Thence South, along the West line of the property having a parcel identification number of 08-07-14-200-002, a distance of 89.00 feet, more or less, to the Southwest corner of said property; Thence East, along the South line of said property, a distance of 216.90 feet, more or less, to the Southeast corner thereof; Thence North, along the East line of said property, and the Northerly extension thereof, to where it intersects with the North Right of Way line of Wacker Road; Thence East, along the said Right of Way line, to where it intersects with the West Right of Way line of Cedar Street; Thence North, along the said West Right of Way line, to where it intersects with the North line of Block 5 in Helle's First Subdivision to the City of Savanna; Thence West, along the said North line, to where it intersects with the Southerly extension of the West line of the property described in Book 234 at Page 258 recorded in said Recorder's Office; Thence North, along the said West line, and the West line of the property described in Book 241 at page 350 in said Recorder's Office, to the Northwest corner thereof; Thence East, along the North line of said property, a distance of 82.60 feet, more or less, to the Southwest corner of the property described in a Corporation Warranty Deed recorded as Document No. 2015R-2737 in said Recorder's Office; Thence North, along the West line thereof, a distance of 418.11 feet, more or

less, to where it intersects with the South line of the Burlington Northern Railroad; Thence Westerly, along the South line of said Railroad, to where it intersects with the East Right of Way line of Iris Street; Thence North, along the said East Right of Way line, to where it intersects with the North Right of Way line of Portland Avenue; Thence West, along the said North Right of Way line, to the Southwest corner of Lot 8 in Block 2 of Highland Park Addition to the City of Savanna; Thence North, along the said West line, to the Northwest corner of said Lot 8; Thence Westerly, along the South Right of Way line of the Iowa, Chicago & Eastern Railroad property, to the Northwest corner of Lot 1 in Block 1 of said Highland Park Addition; Thence South, along the West line of said Lot 1 and the West line of Lot 1 in Block 3 of said Highland Park Addition, to the Southwest corner of said Lot 1 in Block 3; Thence Southerly, to the Northwest corner of Lot 1 in Block 1 of South Savanna; Thence Westerly, along the South line of the Burlington Northern Railroad property, to the point in which it intersects with the Southerly line of the Iowa, Chicago & Eastern Railroad property; Thence Westerly, along the said Southerly line, to where it intersects with the Easterly Boundary of the Mississippi River; Thence Northerly, along the said Easterly Boundary of the Mississippi River, to where it intersects with the Westerly extension of the South Right of Way line of Webster Street; Thence East, along the said Westerly Extension thereof, to the Northwest corner of Lot 8 in Block 31 of Davidson and Bellow's Survey in the Original Town of Savanna; Thence South, along the West line of Lots 8, 7, 6, 5, 4 and 3 in said Block 31, to the Southwest corner of Lot 3; Thence East, along the South line of said Lot 3, and the Easterly extension thereof, to a point on the West line of Block 40 in Davidson and Bellow's Survey in the Original Town of Savanna; Thence North, along the said West line, to the Northwest corner of Lot 15 in said Block 40; Thence East, along the North line of said Lot 15, to the Northeast corner thereof; Thence South, along the East line of Lots 15 and 16, and the Southerly extension thereof, to the Northeast corner of Lot 7 in Block 41 of said Davidson and Bellow's survey; Thence South, along the East line of Lots 7, 8, 9, 10, 11 and 12 in said Block 41. and the Southerly extension thereof, to the Northeast corner of Lot 7 in Block 12 of the Original Town of Savanna; Thence Southeasterly, along the East line of Lots 7, 8, 9, 10, 11 and 12 in said Block 12, and the East line of Lots 7, 8, 9, 10, 11 and 12 in Block 13 of said Original Town, to the Southeast corner of Lot 12 and said Block 13; Thence Easterly, along the Southerly line of said Block 13, to the Southeast corner of Lot 1 in said Block 13; Thence Southerly, to the Northeast corner of Lot 5 in Block 14 of the said Original Town; Thence Easterly, to the Northwest corner of Block 27 of the said Original Town; Thence Easterly, along the North line thereof, to the Northeast corner of said Block 27; Thence Southerly, along the East line thereof, to the Southeast corner of said Block 27; Thence Westerly, along the Southerly line thereof, to the Southwest corner of said Block 27; Thence Northerly, along the Westerly line thereof, to where it intersects with the Easterly extension of the Southerly line of Lot 3 in Block 14 of said Original Town; Thence Westerly, along the said Southerly line, to the Southwest corner of said Lot 3; Thence Southerly, along the West line of Lots 2 and 1 in said Block 14, and the West line of Lots 6, 5, 4 and 3 in Block 15 of said Original Town, to the Northwest corner of Lot 2 in said Block 15; Thence Easterly, along the North line of said Lot 2, to the Northeast corner thereof; Thence South, along the East line of Lots 2 and 1, and the Southerly extension thereof, to the Northeast corner of Lot 5 in Block 16 of said Original Town; Thence West, along the North line thereof, to the Northwest corner of said Lot 5; Thence Southerly, along the West line of Lots 5, 4, 3, 2 and 1 in said Block 16, and the West line of Lots 6, 5 and 4 in Block 17 of said Original Town, to the Northwest corner of Lot 3 in said Block 17; Thence Easterly, along the North line of said Block 3, to the Northeast corner thereof; Thence Southerly, along the East line of Lots 3, 2 and 1, to the Southeast corner of Lot 1 in said Block 17; Thence Westerly, along the South line thereof, to the Southwest corner of said Lot; Thence Southerly, along the West line of Lots 7, 6, 5, 4 and 3 in Block 18 of said Original Town, to the Northwest corner of the property described in Book 899 at Page 59 recorded in the Office of the Carroll County Recorder, and having a parcel identification number of 08-07-10-102-007; Thence Easterly, along the North line of said property, to the Northeast corner thereof; Thence Southerly, along the Easterly line of

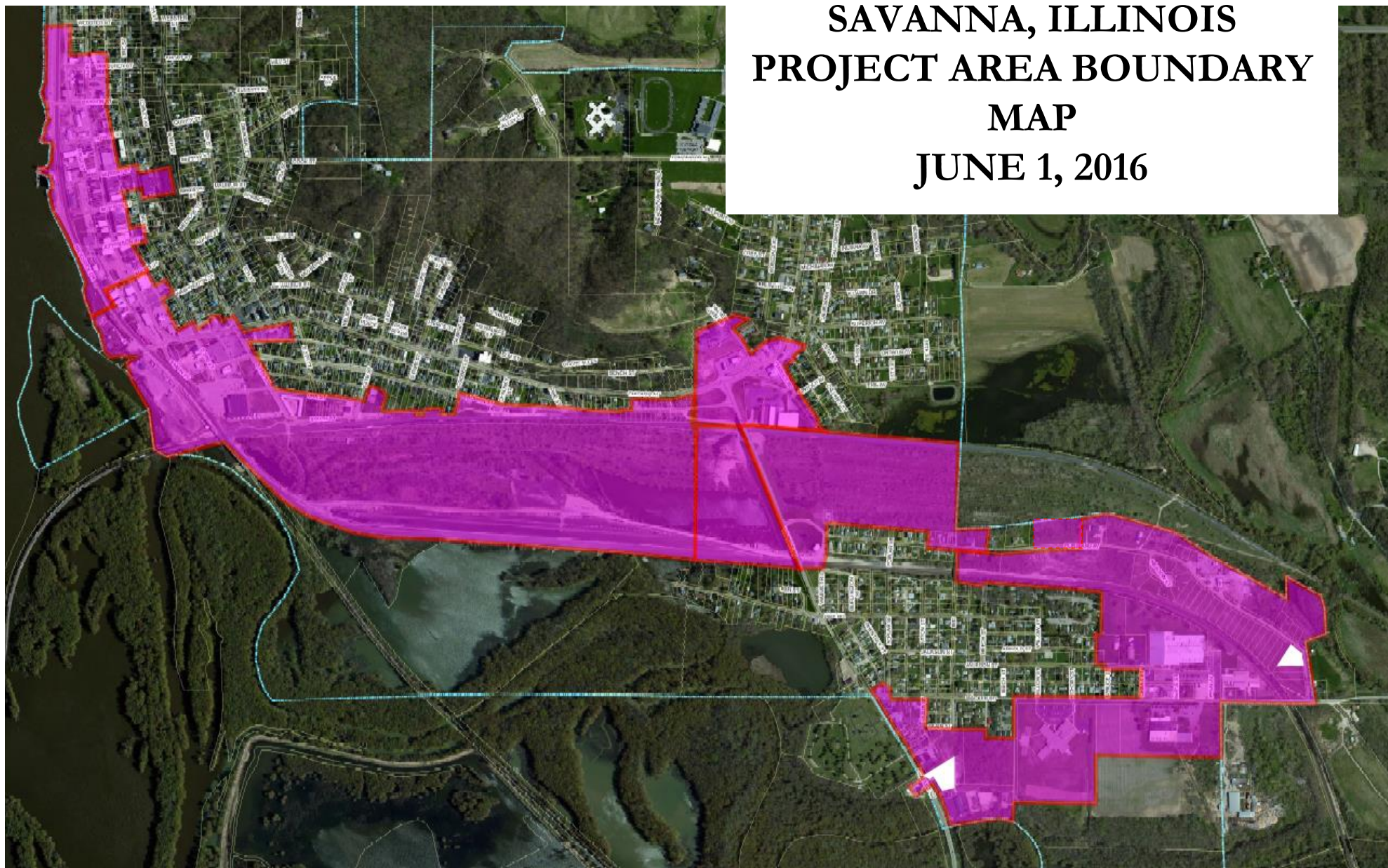
said property, to the North Right of Way line of Chicago Avenue; Thence Easterly, along the said Right of Way line to the Southwest corner of the property having a parcel identification number of 08-07-10-102-008; Thence Northerly, along the West line of said property, to the Northwest corner thereof; Thence Easterly, along the Northerly line of said property, to the Northwest corner of the property described in Book 299 at Page 358 in said Recorder's Office, and having a parcel identification number of 08-07-10-102-009; Thence Easterly along the boundary of said property, to the Northwest corner of the parcel of land having a parcel identification number of 08-07-10-102-055; Thence Easterly, along the Northerly line thereof, to the Northeast corner of said parcel, being on the Westerly Right of Way line of South 4<sup>th</sup> Street; Thence Southerly, along the said Westerly Right of Way line, to where it intersects with the Southerly Right of Way line of said Chicago Avenue; Thence Easterly, along the said Right of Way line, and the Northerly line of the properties having the following parcel identification numbers: 08-07-10-116-002, 08-07-10-116-003, 08-07-10-116-004, 08-07-10-116-005, to the Northeast corner thereof; Thence Southerly and Westerly, along the boundary of said properties, to a point on the East Right of Way line of South 4<sup>th</sup> Street; Thence Southerly, along the said Right of Way line to where it intersects with the North Right of Way line of Oak Street; Thence Easterly, along the said North Right of Way line, to where it intersects with the East Right of Way line of South 6<sup>th</sup> Street; Thence North, along the said East Right of Way line to the Northwest corner of the property having a parcel identification number of 08-07-10-116-090; Thence Easterly and Southerly, along the boundary of said property, to a point on the South line of Block 7 of Morton Addition to the City of Savanna; Thence Easterly, along the said South line, to the Southeast corner thereof; Thence Northerly, along the East line of said Block 7, and the Northerly extension thereof, to where it intersects with the North Right of Way line of Bowen Street; Thence Easterly, along the said North Right of Way line, The Southwest corner of the property having a parcel identification number of 08-07-10-206-001; Thence North, along the West line of said property, to the Northwest corner thereof; Thence Easterly, along the North line of Lots 1 through 12 in Block 1 of Mary E. Fitch Addition to the City of Savanna, to the Northeast corner of said Lot 1; Thence Northerly to Southwest corner of the property having a parcel identification number of 08-07-11-100-033; Thence North, along the West line of said property, to the Northwest corner thereof; Thence Easterly, and Southerly, along the boundary of said property, to the Northwest corner of the property having a parcel identification number 08-07-11-100-035; Thence Easterly, along the North line of said property and the North line of the property having a parcel identification number of 08-07-11-100-036, to the Northeast corner of said property on the Northerly Right of Way line of U.S. Route 52 (Illinois Rte 64); Thence Easterly, across said U.S. Route 52, to the most Northerly corner of the property having a parcel identification number of 08-07-11-107-003; Thence Southerly, along the Easterly and Southerly boundary of said property, to the Northwest corner of the parcel having a parcel identification number of 08-07-11-107-036, being on the West line of Lot 7 in Block 1 of Oak Park Addition to the City of Savanna; Thence Southerly, along the West line of said Block 1 and the West line of Block 4 in said Addition, to the Southwest corner of Lot 16 in said Block 4; Thence Southerly, along the Easterly Right of Way line of Viaduct Road, to where it intersects with the Northerly Right of Way line of the Iowa, Chicago & Eastern Railroad property; Thence Easterly, along the said Northerly Right of Way line, to where it intersects with the West line of the Southeast Quarter of Section 11, Township 24 North, Range 3 East; Thence South, along the said West line, to where it intersects with the Southerly Right of Way line of the Iowa, Chicago & Eastern Railroad property; Thence Easterly, along the said Right of Way line, a distance of 279.29 feet, more or less, to the Northwest corner of the property having a parcel identification number of 08-07-11-400-004; Thence South, along the West line of said property, to where it intersects with the North Right of Way line of Portland Avenue; Thence Easterly, along the said Northerly Right of Way line, to the Southwest corner of the property having a parcel identification number of 08-07-11-400-004; Thence North, along the West line thereof, to the Southerly Right of Way line of the Iowa, Chicago & Eastern Railroad property; Thence Easterly, along the said

Southerly Right of Way line, to the West line of Outlot #1 of “Meadows of Savanna”, being a part of the Southeast Quarter of Section 11 and the Southwest Quarter of Section 12, Township 24 North, Range 3 East; Thence North and Easterly, along the boundary of said Outlot #1, having a parcel identification number of 08-07-11-404-043, to the most Southerly corner of said Outlot, being on the Easterly Right of Way line of Portland Avenue; Thence Southerly, along the said Easterly Right of Way line, to where it intersects with the South line of the Southwest Quarter of Section 12; Thence West, along the said South line, to the point of beginning.

Excepting there from Lots 4 & 5 in “Meadow’s of Savanna”, being a part of the Southwest Quarter of Section 12, Township 24 North, Range 3 East of the Fourth Principal Meridian. Also Excepting the parcel of land Conveyed to Kevin & Peggy Promenschenkel per Warranty Deed described in Book 891 at Page 38-40 in the Office of the Carroll County Recorder, being a part of the Northwest Quarter of Section 14, Township 24 North, Range 3 East of the Fourth Principal Meridian, having a parcel identification number of 08-07-14-100-007.



# SAVANNA, ILLINOIS PROJECT AREA BOUNDARY MAP JUNE 1, 2016



-  EXCEPTED OUT PARCELS
-  TIF AREA



# HIGHWAY 84 AND WACKER ROAD REDEVELOPMENT PROJECT AREA

## ELIGIBILITY STUDY

City of Savanna, Carroll County, Illinois



This Eligibility Study is subject to change based on the review and comment by the City and may be revised before a final Eligibility Study is issued by the City for purposes of the public hearing.

Prepared By:  
Community Funding & Planning Services  
Kathleen Field Orr & Associates

June 1, 2016

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## I. EXECUTIVE SUMMARY

The purposes of this report entitled *Highway 84 and Wacker Road Tax Increment Financing Redevelopment Project Area Eligibility Study* (the “Eligibility Study”) are to: (i) document the blighting factors that are present within the Highway 84 and Wacker Road Redevelopment Project Area (the “Project Area”) in the City of Savanna, Carroll County, Illinois (the “City” or “Savanna”), and (ii) conclude whether the Project Area qualifies for designation as a redevelopment project area within the definitions set forth in the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11 – 74.4-1, et seq., as amended (the “Act”). A map of the proposed Project Area is included on Figure 1 – *Project Area Boundary* map.

The findings and conclusions contained in this Eligibility Study are based on surveys, documentation, and analyses of records and physical conditions within the Project Area. The City is entitled to rely on the findings and conclusions of this Eligibility Study in designating the Project Area as a redevelopment project area under the Act. Community Funding & Planning Services (“CFPS”) and Kathleen Field Orr & Associates as legal counsel (“KFO”), collectively referred to as the “Consultant Team”, prepared this Eligibility Study and the related *Highway 84 and Wacker Road Tax Increment Financing Redevelopment Plan and Project* (the “Redevelopment Plan”) with the understanding that the City would rely on the findings and conclusions of this Eligibility Study and the related Redevelopment Plan in proceeding with the designation of the Project Area as a redevelopment project area under the Act. The determination of whether the Project Area qualifies for designation as a combination “conservation area” and “vacant blighted area” pursuant to the Act may be made by the City after careful review and consideration of the conclusions contained in this Eligibility Study.

### *The Project Area*

The Project Area is an irregularly shaped area and encompasses the following contiguous subareas that includes roughly 262 parcels of both improved land as well as vacant land:

A subarea generally incorporating parcels in the downtown district fronting both sides of Main Street, extending and including all parcels west of Main Street to the Mississippi River, starting with parcels just north of Van Buren Street to South Street, including parcels south of Chicago Avenue and west of South 4<sup>th</sup> Street;

A subarea generally incorporating parcels east of South 4<sup>th</sup> Street, south of Oak Street and south of Bowen Street from Gilbert Street heading east to Viaduct Road, including parcels on the north side of Bowen Street from the electrical substation, and incorporating the BNSF and CP railroad areas, Plum Creek and wetlands;

A subarea generally incorporating commercial parcels primarily at the intersection of Routes 84 and 52/64;

A subarea generally incorporating mixed use parcels along Portland Avenue, including parcels #08-07-11-301-014, -015, and -016 on the north just west of Iris, and parcels east of Iris Street to Meadow Court on the south and parcels #08-07-12-300-012 and -015 on the north;

A subarea generally incorporating industrial parcels along Wacker Road from the railroad tracks on the east to Spruce Street on the west, including parcel #08-07-14-200-003; and

A subarea generally incorporating commercial and residential parcels fronting the east side of Route 84 on both sides of Wacker Road on the north to the City's corporate boundaries to the south, bounded on the east by Eaton Street, including parcels south of Skain Street; and

A subarea generally incorporating the vacant parcels in the Savanna Meadows residential subdivision fronting the south side of Portland Avenue, from Wacker Road to Meadow Court.

The Project Area contains a mixture of commercial, residential, industrial, municipal/institutional uses, and vacant land, on approximately 478 acres, which includes 262 parcels, with 164 of the parcels containing improved structures. The vacant area consists of approximately 221 of the total 478 acres, and includes 42 tax parcels within the Savanna Meadows Subdivision along with wetlands and rail tracks and yards for both the Burlington Northern Santa Fe and Canadian Pacific railroads.

Public uses within the Project Area include the following: City Hall, Historical Museum, Maintenance Shed, Township Building, Fire Station, Police Station, School District, churches and the City's Wastewater Treatment Plant and Water Reservoir.

While some limited improvements to buildings have occurred within the Project Area in recent years, the Project Area as a whole has not benefited from new private investment to revitalize the area on a systematic or significant level. The Project Area as a whole is characterized by aging and deteriorating properties, dilapidated and obsolete buildings and sites, sites with excessive land coverage and limited access for parking and servicing, declining property values, vacant buildings and vacant spaces within buildings, sites/parcels of irregular shape and size, incompatible land use relationships, deleterious land use, structures below minimum code standards and inadequate utilities, parcels with environmental issues, and deteriorating and inadequate infrastructure.

These conditions, combined with the general lack of private investment in the area have caused the City to initiate the Eligibility Study. The City of Savanna engaged the Consultant Team to analyze conditions in the Project Area to determine whether the Project Area qualifies for designation as a "redevelopment project area" based on criteria for a "blighted area", a "conservation area", or combination thereof, or an "industrial park conservation area", as defined in the Act.

### **Eligibility Criteria**

As set forth in the Act, a “redevelopment project area” means an area designated by the municipality which is not less in the aggregate than 1 ½ acres, and in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as a blighted area, a conservation area, an industrial park conservation area, or a combination of both blighted and conservation areas. The Project Area exceeds the minimum acreage requirements of the Act.

As set forth in the Act, “blighted area” means any improved or vacant area within the boundaries of a redevelopment project area located within the territorial limits of the municipality that, if improved, shows the presence of at least five of thirteen factors defined in the Act, and if vacant, is impaired by the presence of at least two of six qualifying criteria set forth in the Act. According to the Act, the presence of blighting conditions indicates that such areas are detrimental to the public safety, health, morals or welfare of the community.

### **Eligibility Evaluation**

The approach taken to evaluate the presence of blight factors within the Project Area is listed below:

- Survey of the Project Area to document the physical conditions of buildings and site improvements for the improved areas.
- Document and analyze existing land uses and their relationships with one another, and the size, configuration and layout of buildings and parcels.
- Review supporting secondary and previously prepared plans and documents.
- Review Carroll County property / parcel records.
- Tabulate the extent and distribution of blight factors.
- Evaluate the extent and distribution of blight factors within the Project Area, and conclude whether the extent and distribution of the factors are sufficient to qualify the area for designation as a redevelopment project area.

### **Summary Eligibility Conclusions**

Based on the definitions set forth in the Act, the Project Area is found to be eligible for classification as a combination “conservation area” and “vacant blighted area” overall and therefore qualifies for a redevelopment project area. The vacant blighted area includes the vacant property located along the south eastern corner within the Project Area at the City’s corporate boundaries, and the improved blighted area encompasses the balance of the Project Area (“Improved Area”). The summary findings of this report include:

- The Project Area is over 1 ½ acres
- 110 (or 67%) of the buildings in the Improved Area are over 35 years old. Additionally, roughly 30% of the buildings are more than 100 years old.

- Six of the 13 blight factors (three are required) are present to a meaningful extent and reasonably distributed in the Improved Area, including deterioration; structures below minimum code; excessive vacancies; lack of ventilation, light or sanitary facilities; inadequate utilities; deleterious land use or layout; and lack of community planning. Three additional factors are present to a more limited extent but support the blighted area finding, including: obsolescence; dilapidation; and excessive land coverage.
- Two of the six factors (two are required) set forth in the Act under the first group of qualifying criteria for vacant blighted areas are present in the Vacant Area, including deterioration of structures or site improvements in neighboring areas, and declining or lagging total equalized assessed valuation.
- The Project Area includes only real property and improvements thereon substantially benefited by the proposed redevelopment project improvements.

These findings were made on the basis that blight factors must be present to a meaningful extent and must be reasonably distributed throughout the Improved Area and Vacant Area so that non-blighted areas are arbitrarily included in the Project Area simply because of proximity to areas that qualify as a blighted area.

The conclusion of the Eligibility Study is that the Project Area is in need of development, revitalization and redevelopment to ensure that it will contribute to the long-term physical, economic, and social well-being of the City of Savanna. The presence of blight factors in the Project Area indicates that the Project Area has not been subject to sound growth and development through investment by private enterprise, and would not reasonably be anticipated to be redeveloped without public action.

Insert figure 1

## PROJECT AREA BOUNDARY MAP

Insert figure 2

## IMPROVED AND VACANT AREAS MAP



## II. BASIS FOR REDEVELOPMENT

### A. Introduction

The Illinois General Assembly made two key findings in adopting the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11 – 74.4 – 1, et seq., as amended (the “Act”):

1. That there exist in many municipalities within the State *blighted, conservation areas, and industrial parks*; and
2. That the eradication of blighted areas and the treatment and improvement of conservation areas by redevelopment projects are essential to the public interest.

These findings were made on the basis that blight or conditions which lead to blight are detrimental to the safety, health, welfare and morals of the public. To ensure that the exercise of these powers is proper and in the public interest, the Act also specifies certain requirements which must be met before a municipality can proceed with implementing a redevelopment project. One of these requirements is that the municipality must demonstrate that the prospective redevelopment project area qualifies either as a “blighted area”, a “conservation area” or combination thereof, or an “industrial conservation area” within the definitions set forth in the Act (65 ILCS 5/11-74.4-3).

The Act further stipulates specific procedures which must be adhered to in determining the eligibility of a project area. A “Redevelopment Project Area” is defined as:

*“...an area designated by the municipality, which is not less in the aggregate than 1 ½ acres and in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as an industrial park conservation area, or a blighted area or a conservation area, or a combination of both blighted areas and conservation areas” (65 ILCS 5/11-74.4-3(p)).*

In addition, Section 5/11-74.4-3(a) defines a “blighted area” as:

*“...any improved or vacant area within the boundaries of a redevelopment project area located within the territorial limits of the municipality where: (1) If improved, industrial, commercial, and residential buildings or improvements are detrimental to the public safety, health, or welfare because of a combination of 5 or more of the following factors: dilapidation; obsolescence; deterioration; presence of structures below minimum code standards; illegal use of individual structures; excessive vacancies; lack of ventilation, light, or sanitary facilities; inadequate utilities; excessive land coverage and overcrowding of structures and community facilities; deleterious land use or layout; lack of community planning; need for environmental remediation; or declining total equalized assessed value; and (2) If vacant, the area may be found to be eligible as a blighted area based on the finding that the sound growth of the redevelopment project area is impaired by a combination of two or more of the following factors: obsolete platting; diversity of ownership; tax and special assessment delinquencies; deterioration of structures or site improvements in neighboring areas; incurred environmental remediation costs; and declining total equalized assessed value.”*

Section 5/11-74.4-3(a) also defines a “conservation area” as:

*“...any improved area within the boundaries of a Redevelopment Project Area located within the territorial limits of the municipality in which 50% or more of the structures in the area have an age of 35 years or more.*

*Such an area is not yet a blighted area, but because of a combination of three or more of the following factors is detrimental to the public safety, health, morals, or welfare and such an area may become a blighted area: dilapidation; obsolescence; deterioration; presence of structures below minimum code standards; illegal use of individual structures; excessive vacancies; lack of ventilation, light, or sanitary facilities; inadequate utilities; excessive land coverage and overcrowding of structures and community facilities; deleterious land use or layout; lack of community planning; need for environmental remediation; or declining total equalized assessed value.”*

## **B. Eligibility of a Vacant Blighted Area**

A prospective redevelopment project area may be improved, vacant, or contain a combination of vacant and improved portions and may qualify as a blighted area based on the definitions set forth in the Act for (i) a blighted improved area and/or (ii) a blighted vacant area.

According to the Act, “vacant land” means any parcel or combination of parcels of real property without industrial, commercial and residential buildings which has not been used for commercial agricultural purposes within 5 years prior to the designation of the redevelopment project area, unless the parcel is included in an industrial park conservation area or the parcel has been subdivided; provided that if the parcel was part of a larger tract that has been divided into three or more smaller tracts that were accepted for recording during the period from 1950 to 1990, then the parcel is deemed to have been subdivided, and all proceedings and actions of the municipality taken in that connection with respect to any previously approved or designated redevelopment project area or amended redevelopment project area are considered to be legally sufficient for all purposes of the Act. For the purposes of this definition of vacant land within the Act and only for land subject to the subdivision requirements of the Illinois Plat Act, land is subdivided when the original plat of the proposed redevelopment project area or relevant portion thereof has been properly certified, acknowledged, approved, and recorded or filed in accordance with the Illinois Plat Act and a preliminary plat, if any, for any subsequent phases of the proposed redevelopment project area or relevant portion thereof has been properly approved and filed in accordance with the applicable ordinance of the municipality.

If the area is vacant, it may be found to be eligible as a blighted area based on the finding that the sound growth of the redevelopment project area is impaired by one of the following two criteria:

1. A combination of 2 or more of the following factors, each of which is (i) present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) reasonably distributed throughout the vacant part of the redevelopment project area:
  - Obsolete platting of the vacant land;
  - Diversity of ownership of such land;
  - Tax and special assessment delinquencies on such land;
  - Deterioration of structures or site improvements in neighboring areas adjacent to the vacant land;

- The area has incurred or is in need of significant environmental remediation costs;
  - The total equalized assessed valuation has declined or lagged behind the municipality.
2. The presence of one of the following factors, each of which is (i) present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) reasonably distributed throughout the vacant part of the redevelopment project area:
- The area consists of one or more unused quarries, mines or strip mine ponds;
  - The area consists of unused rail yards, rail tracks or railroad rights-of-way;
  - The area, prior to the area's designation, is (i) subject to chronic flooding that adversely impacts on real property in the area as certified by a registered professional engineer or appropriate regulatory agency or (ii) surface water that discharges from all or a part of the area and contributes to flooding within the same watershed, but only if the redevelopment project provides for facilities or improvements to contribute to the alleviation of all or part of the flooding;
  - The area consists of unused or illegal disposal site, containing earth, stone, building debris or similar materials, that were removed from construction, demolition, excavation or dredge sites;
  - Prior to November 1, 1999, the area is not less than 50 nor more than 100 acres and 75% of which is vacant, notwithstanding the fact that such area has been used for commercial agricultural purposes within 5 years prior to the designation of the redevelopment project area &, which area meets certain other qualifying criteria; and
  - The area immediately prior to becoming vacant qualified as a blighted improved area, unless there has been substantial private investment in the immediately surrounding area.

### **C. Eligibility of a Conservation Area**

Any improved area within the boundaries of a Redevelopment Project Area located within the territorial limits of the municipality in which 50% or more of the structures in the area have an age of 35 years or more. Such an area is not yet a blighted area, but because of a combination of three or more of the following factors is detrimental to the public safety, health, morals, or welfare and such an area may become a blighted area. The factors include:

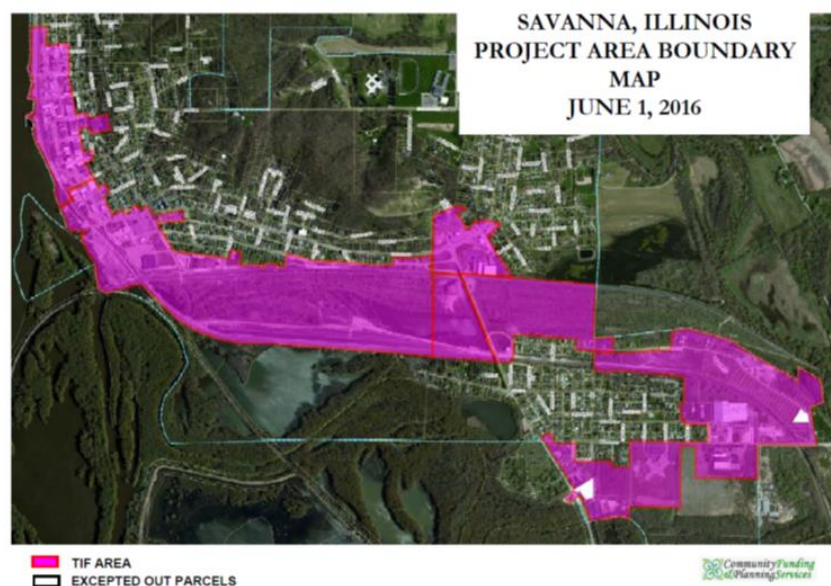
- Dilapidation
- Obsolescence
- Deterioration
- Illegal use of individual structures
- Presence of structures below minimum code standards
- Excessive vacancies

- Lack of ventilation, light or sanitary facilities
- Inadequate utilities
- Excessive land coverage and overcrowding of structures and community facilities
- Deleterious land-use or layout
- Lack of community planning
- Need for environmental remediation
- Declining or lagging rate of growth of total equalized assessed valuation

It is important to note that the test of eligibility is based on the conditions of the area as a whole; it is not required that eligibility be established for each and every property or tax parcel in the Project Area.

### III. PROJECT AREA

The City of Savanna Route 84 and Wacker Road TIF Redevelopment Project Area consists of those properties generally located within the City's downtown district from Van Buren Street to Chicago Avenue bounded by the east side of Main Street and the Mississippi River to the west, sporadically including properties along 3<sup>rd</sup> Street; the properties generally south of Chicago Avenue along the Mississippi River on the west and S. 4<sup>th</sup> Street on the east and the railroad yards to the south; properties bound by Chicago Avenue to the north, E. 5<sup>th</sup> Street to the east, S. 4<sup>th</sup> Street to the west and alley north of Bowen Street to the south; the properties generally bound by Oak Street to the north and the railroad yards to the south from S. 4<sup>th</sup> Street to the west heading east to Viaduct Road; properties generally fronting both sides of Chicago Avenue from Viaduct Road to Calumet Street; the railroad tracks and wetlands east of Viaduct Road north of Portland Avenue; properties generally along Portland Avenue, including properties just west of Iris Street on the north side and properties east of Iris Street on the south side to Wacker Road; properties generally bounded by Spruce Street on the west to the railroad tracks on the northeast and Wacker Road to the south; properties south of Wacker Road from Penn Avenue on the east to Beech Street on the west; and properties generally bound along Viaduct Road on the east side from Wacker Road to the City's corporate limits to the south, including parcels east of Eaton Street and south of Skain Street.



*Project Area map – Figure 1*



The Redevelopment Project Area contains a mixture of commercial, residential, industrial, municipal/institutional uses, vacant land, railroad yards and wetlands, including 262 parcels with 164 primary structures on the improved parcels. The total area of the Redevelopment Project Area is approximately 478 acres, more or less.

The Improved Project Area contains approximately 61 inhabited residential units located in various blocks with single-family, multi-family or mixed-use buildings. Public and semi-public uses are scattered throughout the Project Area, including: City Hall, maintenance shed, township building, fire station, police station, school district, historical museum, churches, and the City's wastewater treatment facility and water reservoir.

The City of Savanna's downtown district encompasses roughly 9 blocks along Main Street and portions of Chicago Avenue, and is the traditional central business district of the community. It services as the core area for shopping, business and civic activities since the mid-nineteenth century with many buildings dating from the late 1800s and early 1900s.



Additional commercial businesses are located at the intersection of Route 84 and Routes 52/64, and along Viaduct Road (Route 84 South) at the south end of the City's corporate limits, and the core industrial area is located on the east end of Wacker Road.

The vacant area of the Project Area includes forty-two (42) tax parcels in the Meadows of Savanna Subdivision along the southern end of Portland Avenue (approximately 35 acres) and is referred to as the Vacant Blighted Area or Vacant Area. The vacant area also includes approximately 186 acres of wetlands and railroad tracks and yards owned by the Burlington Northern Santa Fe and Canadian Pacific Railroads. The boundaries of the entire Project Area are shown in Figure 1, *Project Area Boundary*.



While some limited development and improvements to buildings have occurred in scattered areas of the Project Area in recent years, the Project Area as a whole has not benefited from new private investment to develop vacant and underutilized parcels or to revitalize the area on a systematic or significant level. The Project Area as a whole is characterized by aging and deteriorating properties, dilapidated buildings, vacant buildings and spaces within buildings, sites/parcels of irregular shape and size, structures below minimum code standards, excessive land coverage, deleterious land-use or layout and deteriorating and inadequate infrastructure.

## IV. ELIGIBILITY SURVEY AND ANALYSIS FINDINGS

The Consultant Team completed an analysis of each of the blight factors listed in the Act to determine whether each or any are present in the Project Area, and if so, to what extent and in what locations. Surveys and analyses conducted by the Consultant Team included:

- Exterior survey of the condition and use of all buildings and sites;
- Photographs of existing parcels;
- Field survey of environmental conditions covering streets, sidewalks, curbs and gutters, lighting, traffic, parking facilities, landscaping, fences and general property maintenance;
- Analysis of the existing uses within the Project Area and their relationships to the surroundings;
- Review of current land use;
- Analysis of original and current platting and building size and layout;
- Analysis of vacant portions of the sites and buildings;
- Analysis of building floor area and site coverage;
- Review of previously prepared studies and data; and
- Analysis of Carroll County Assessor records for equalized assessed valuations for tax parcels in the Project Area for assessment years 2010 to 2015.

### A. Relevant Factors in Analysis of Improved Areas

In March and April, 2016, the Consultant Team documented physical conditions by means of an exterior survey of all buildings and properties. Field notes of the condition for each parcel was documented, and photographs taken to further support the observed condition. Noted during the surveys were structural deficiencies and occupancies of individual buildings and related environmental deficiencies in the Project Area. Summarized below is the process used for assessing building conditions in the Project Area, the standards and criteria used for evaluation, and the findings as to the existence of dilapidation or deterioration of structures.

#### 1. Building Components Evaluated

During the field survey, each component of a subject building was examined to determine whether it was in sound condition or had minor, major or critical defects. Building components examined were of two types:

- Primary Structural - These include the basic elements of any building: foundation walls, load bearing walls and columns, roof and roof structure.
- Secondary Components - These are components generally added to the primary structural components and are necessary parts of the building, including porches and steps, windows and window units, doors and door units, chimneys and gutters and downspouts.

Each primary and secondary component was evaluated separately as a basis for determining the overall condition of individual buildings. This evaluation considered the relative importance of specific components within a building and the effect that deficiencies in components will have on the remainder of the building.

## 2. Building Component Classifications

The four categories used in classifying building components and systems and the criteria used in evaluating structural deficiencies are described below.

- Sound - Building components which contain no defects, are adequately maintained, and require no treatment outside of normal maintenance as required during the life of the building.
- Deficient – Requiring Minor Repair - Building components which contain minor defects (loose or missing material or holes and cracks over a limited area) which may or may not be corrected through the course of normal maintenance but could be significant depending on the size of the building or number of buildings in a large complex. Buildings with minor defects clearly indicate a lack of or a reduced level of maintenance. Minor defects have limited effect on either primary or secondary components and the correction of such defects may be accomplished by the owner or occupants of either average size residences or smaller commercial buildings. Minor defects are not considered in rating a building as structurally substandard.
- Deficient – Requiring Major Repair - Building components which contain major defects over a widespread area and would be difficult to correct through normal maintenance. Buildings in the major deficient category would require replacement or rebuilding of components or significant upgrading of larger buildings or complexes of buildings by people skilled in the building and maintenance trades.
- Critical - Building components which contain major defects so extensive that the building is classified as substandard (dilapidated) and the cost and degree of repair would be excessive or unfeasible. Examples of such major defects are bowing, sagging, or settling of any or all exterior components causing the structure to be out-of-plumb, or broken, loose or missing material and deterioration over a widespread area.

## 3. Final Building Rating

After completion of the exterior building condition survey, each individual building was placed in one of four categories based on the combination of defects found in various primary and secondary building components. Each final rating is described below.

- Sound - Sound buildings kept in a standard condition, presently requiring no maintenance. Buildings so classified have less than one minor defect.

- Deficient - Deficient buildings contain defects which collectively are either not easily correctable through normal maintenance or require contracted skills to accomplish the level of improvements as part of maintenance or correction of defects. The classification of major or minor reflects the degree or extent of defects found during the survey of the building.
  - Minor – buildings classified as minor deficient require minor repairs, i.e., the buildings have at least one minor defect, beyond normal maintenance, in one of the primary components or in the combined secondary components, but contain less than one major defect.
  - Major – buildings classified as major deficient require major repairs, i.e., the buildings have at least one major defect in either one of the primary components or in the combined secondary components, but contain less than one critical defect.
- Substandard - Structurally substandard buildings contain defects which are so serious and so extensive that the building must be removed. Buildings classified as structurally substandard have two or more major defects on any of the primary or secondary components.

Minor deficient and major deficient buildings are considered to be the same as deteriorating buildings as referenced in the Act; substandard buildings are the same as dilapidated buildings. The words “building” and “structure” are presumed to be interchangeable.



## **B. Summary of Presence of Blight Factors In Improved Area**

In order for an Improved Area to be designated as a ‘blighted area’, a combination of at least five (5) blighting factors must be present to a meaningful extent and reasonably distributed throughout the Project Area. In order to be designated as a ‘conservation area’, at least 50% of the structures must be 35 years or more in age, and a combination of at least three (3) of the other blighting factors must be present to a meaningful extent and reasonably distributed throughout the Project Area.

Summarized below are the conclusions of the surveys and analyses completed for each blight factor based on existing conditions within the Project Area. The conclusions indicate whether the factor is found to be present within the Improved Area, and the relative extent to which the factor is present. A factor noted as “present to a limited extent” indicates that the factor is present, but the distribution or impact of the factor is limited. A factor noted as “present to a meaningful extent” indicates that the factor is present throughout major portions of the Improved Area, and that the presence of such conditions has a major adverse impact or influence on adjacent and nearby development. Blight factors not included in this report indicate that either no information was available or no evidence could be documented as part of the various surveys and analyses which would indicate its presence.

**Age of Buildings** – The characteristic of age presumes the existence of problems or limiting conditions resulting from the normal and continuous use of structures and exposure to the elements over an extended period of time. As a general rule, older buildings typically exhibit more problems than buildings constructed in more recent years because of longer periods of active use (wear and tear) and the impact of time, temperature and moisture. Additionally, older buildings tend not to be well suited for modern use due to contemporary space and development standards.



The Consultant Team has documented that there are 164 primary structures located within the Project Area. Field observations of construction methods and materials, supplemented by information provided by the City indicate that a substantial majority of the Project Area was developed prior to 1981 (older than 35 years). Confirmation of field observations is provided for 110 of the 164 principal buildings based on data collected through the Carroll County Assessor’s office. These findings further confirm that the 67% of the buildings exceed 35 years in age and are widely distributed throughout the entire Project Area. This data helps to verify the conclusion that more than half of the buildings within the Project Area are 35 years of age or older.

**Conclusion** – As determined by field observations and further verified by official property records, the Project Area meets the statutory requirement that at least 50% of the buildings within the Project Area are 35 years of age or older for designation as a “Conservation Area.” Due to this finding, the definition of Conservation Area is investigated in this Eligibility Report, requiring age of buildings plus three other blighting factors.

**Dilapidation** – *As defined in the Act, “dilapidation” refers to an advanced state of disrepair or the neglect of necessary repairs to the primary structural components of buildings or improvements in such as combination that a documented building condition analysis determines that major repair is required or the defects are so serious and so extensive that the buildings must be removed.*

The conditions of the buildings within the Improved Area were determined based on observable components. As described in the section A above, “Relevant Factors in Analysis of Improved Areas”, the Consultant Team conducted an exterior survey of each building within the Improved Area to determine its condition. Of the 164 buildings, only 7 buildings were classified as structurally substandard (dilapidated).

**Conclusion** – Although a small number of structures display severe structural defects, instances of Dilapidation (structurally substandard buildings) is not widespread or evenly distributed throughout the Project Area. As such, Dilapidation is present to a limited extent throughout the Improved Area and **does not** contribute to the designation of the Project Area as a “Conservation Area”.

**Obsolescence** – *As defined in the Act, “obsolescence” refers to the condition or process of falling into disuse. Structures have become ill suited for the original use.*

In making findings with respect to buildings, it is important to distinguish between functional obsolescence, which relates to the physical utility of a structure, and economic obsolescence, which relates to a property’s ability to compete in the marketplace.

Functional obsolescence occurs in historical structures which have been built for specific uses or purposes. The design, location, height and space arrangement are intended for a specific occupant at a given time. Buildings become obsolescent when they contain characteristics or deficiencies which limit their use and marketability after the original use ceases. The characteristics may include loss in value to a property resulting from an inherent deficiency existing from poor design or layout, the improper orientation of the building on its site, etc., which detracts from the overall usefulness or desirability of a property.

Economic obsolescence is normally a result of adverse conditions which cause some degree of market rejection and, hence, depreciation in market values. If functionally obsolete properties are not periodically improved or rehabilitated, or economically obsolete properties are not converted to higher and better uses, the income and value of the property erodes over time. This value erosion leads to deferred maintenance, deterioration, and excessive vacancies. These manifestations of obsolescence then begin to have an overall blighting influence on surrounding properties and detract from the economic vitality of the overall area.

Site improvements, including sewer and water lines, public utility lines (gas, electric and telephone), roadways, parking areas, parking structures, sidewalks, curbs and gutters, lighting, etc., may also

evidence obsolescence in terms of their relationship to contemporary development standards for such improvements. Factors of obsolescence may include inadequate utility capacities, outdated building designs, etc.

Obsolescence as a factor should be based upon the documented presence and reasonable distribution of buildings and site improvements evidencing such obsolescence. Obsolescence is present in a number of structures in the Improved Area. These structures are characterized by conditions that limit their efficient or economic use according to contemporary standards. These buildings include single-purpose storage buildings lacking windows, heating, ventilation and air conditioning systems, as well as small buildings of limited size and/or narrow tenant space, buildings lacking loading or servicing areas, buildings that lack accessibility features and buildings with limited long-term utility or capacity for conversion or expansion for contemporary business or retail use. Obsolescence is evidenced by buildings with underutilized upper floors and buildings that have been converted to new uses including residential buildings and buildings of limited size converted to, or expanded for, commercial or office space.

**Conclusion** – Obsolescence as a factor is present to a meaningful extent throughout the Improved Area, and **is therefore a significant contributing factor** towards the designation of the Project Area as a “conservation area”.

**Deterioration** – *As defined in the Act, “deterioration” refers to, with respect to buildings, defects including, but not limited to, major defects in the secondary building components such as doors, windows, porches, gutters and downspouts, and fascia. With respect to surface improvements, the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking, and surface storage areas evidence deterioration, including but not limited to, surface cracking, crumbling, potholes, depressions, loose paving material, and weeds protruding through paved surfaces.*

Based on the definition given by the Act, deterioration refers to any physical deficiencies or disrepair in buildings or site improvements requiring treatment or repair. Deterioration may be evident in basically sound buildings containing minor defects, such as lack of painting, loose or missing materials, or holes and cracks over limited area. This deterioration can be corrected through normal maintenance.

Deterioration which is not easily correctable and cannot be accomplished in the course of normal maintenance may also be evident in buildings. Such buildings may be classified as minor deficient or major deficient buildings, depending upon the degree or extent of defects. This would include buildings with defects in the secondary building components (e.g., doors, windows, porches, gutters and downspouts, fascia materials, etc.) and defects in primary building components (e.g., foundations, frames, roofs, etc.), respectively.

Deterioration of Street Pavement, Parking and Service Areas - Deteriorated street infrastructure is present in a number of locations in the Improved Area. A majority of the streets have chip-n-seal coating, and contain deteriorated pavement with cracks and potholes. Streets lack curb and gutter on nearly all of the roadways in the Improved Area. Parking surface and storage areas throughout the Improved Area vary in condition, but several parking areas consists of (i) gravel surfaces with weed growth, cracks and/or potholes or (ii) deteriorating paved asphalt parking areas with protruding weed growth, cracks and/or potholes. Sidewalks are very limited and only exist along a few of the roadways in the Improved Area, such as Main Street, Chicago Avenue and portions of Viaduct Road (Route 84 South).



Deterioration of Buildings – The analysis of building deterioration is based on the survey methodology and criteria described in the proceeding section, “Building Condition Survey”. Of the total 164 buildings, 109 of the buildings within the Improved Area are classified as deteriorating.





The extent and widespread distribution of deterioration, both of buildings and surface improvements, has a negative effect upon neighboring properties. When buildings or improvements on adjacent properties are in a declining state, a property owner has less incentive to maintain or improve his or her own property. Deterioration has the potential to spread which could lead the entire Project Area to a blighted condition. As noted in Table 1 below, building deterioration is present throughout the Improved Area.

**Table 1. Summary of Building Deterioration**

Total Buildings	164	
<i>Sound</i>	10	6.1%
<i>Minor</i>	38	23.1%
<i>Major</i>	109	66.5%
<i>Substandard</i>	7	4.3%
Total % Deteriorated	94%	

**Conclusion** – Deterioration as a factor is present to a meaningful extent throughout the Improved Area, and **is therefore a significant contributing factor** towards the designation of the Project Area as a “conservation area”.

**Presence of Structures Below Minimum Code Standards** – *As defined in the Act, the “presence of structures below minimum code standards” refers to all structures that do not meet the standards of zoning, subdivision, building, fire and other governmental codes applicable to property, but not including housing and property maintenance codes.*

As referenced in the definition above, the principal purposes of governmental codes applicable to properties are to require buildings be constructed in such a way as to sustain safety of loads expected from the type of occupancy; to be safe for occupancy against fire and similar hazards; and/or to establish minimum standards essential for safe and sanitary habitation. Structures below minimum code standards are characterized by defects or deficiencies that threaten health and safety.

Determination of the presence of structures below minimum code standards was based upon visible defects and advanced deterioration of building components from the exterior surveys. Of the total 164 structures, 109 (66%) exhibited advanced deterioration and defects that are below contemporary standards for buildings. Many of these buildings, as well as other buildings throughout the Improved Area, also do not meet the Americans with Disabilities Act standards for commercial properties.

**Conclusion** – Structures below minimum code standards as a factor is present to a meaningful extent throughout the Improved Area, and **is a significant contributing factor** towards the designation of the Project Area as a “conservation area”.

**Excessive Vacancies** – *As defined in the Act, “excessive vacancies” refers to the presence of buildings that are unoccupied or under-utilized and that represent an adverse influence on the area because of the frequency, extent or duration of the vacancies.*

Establishing the presence of this factor requires the identification, documentation, and mapping of the presence of vacant buildings and vacant portions of buildings. It includes properties which evidence no apparent effort directed toward their occupancy or utilization and vacancies within buildings. Excessive vacancies include several storefronts, upper floors and buildings in the downtown area, as well as accessory residential uses (apartments) that exhibit high levels of vacancy.

While there are a number of buildings that are for sale and have been vacant for a long period of time, the actual percentage compared to overall structures within the Improved Area is roughly 27%. This factor is mainly present in the downtown district and along the commercial highway, and not present throughout the Improved Area.



**Conclusion** – Although there are vacancies, it is not widespread or evenly distributed throughout the Project Area. As such, Excessive Vacancies is present to a limited extent throughout the Improved Area and **does not** contribute to the designation of the Project Area as a “Conservation Area”.

**Lack of Ventilation, Light or Sanitary Facilities** – *As defined in the Act, “lack of facilities” refers to the absence of adequate ventilation for light or air circulation in spaces or rooms without windows, or that require the removal of dust, odor, gas, smoke or other noxious airborne materials. Inadequate natural light and ventilation means the absence of skylights or windows for interior spaces or rooms and improper window sizes and amounts by room area to window area ratios. Inadequate sanitary facilities refer to the absence or inadequacy of garbage storage and enclosures, bathroom facilities, hot water and kitchens, and structural inadequacies preventing ingress and egress to and from all rooms and units within a building.*

Many older structures fail to provide adequate ventilation, light or sanitary facilities as required by local building or housing codes. This is also a characteristic often found in illegal or improper building conversions. The criteria used for determining the presence of this factor can be found in local codes and ordinances, or in locally adopted national codes such as the Uniform Building Code or Building Officials Code of America (BOCA). Lack of ventilation, light and/or sanitary facilities are present in a small number of structures in the Improved Area. These structures are characterized by buildings that have inadequate windows for air and light ventilation, and some structures lack adequate sanitary facilities.

**Conclusion** – Lack of ventilation, light or sanitary facilities as a factor is present to a limited extent, and therefore **does not** contribute to the designation of the Project Area as a “Conservation Area”.

**Inadequate Utilities** – *As defined in the Act, “inadequate utilities” refers to underground and overhead utilities such as storm sewers and storm drainage, sanitary sewers, water lines, and gas, telephone and electrical services that are shown to be inadequate. Inadequate utilities are those that are: (i) of insufficient capacity to serve the uses in the redevelopment project area, (ii) deteriorated, antiquated, obsolete, or in disrepair, or (iii) lacking within the redevelopment project area.*

Based upon the information obtained from the City’s staff, much of the Project Area consists of old and undersized water mains and sewer pipes, and lacks adequate storm sewer and storm drainage. A majority of the City roadways are of gravel surfacing in need of major repair, with little to no curb and gutter. Sidewalk exists along the major State highways, with limited to no sidewalks throughout the rest of the project area.

**Water utilities** – Savanna’s water storage system includes two elevated water reservoirs – a 50,000 gallon and a 250,000 gallon tanks – and one 500,000 ground reservoir. The latter reservoir services approximately 75% of the City’s population. The City has entered into multi-year agreements with a utility company for the maintenance and upkeep of its three water reservoirs. All of the contracts are for an indefinite period of time providing the annual fee is paid in accordance with each of the agreements.



These agreements provide the City with professional care and maintenance services for its water reservoirs by a contracted utility company.

The City's water source component consists of four municipal wells, one of which is used mainly for emergency purposes only. The water distribution system is made up of more than 23 miles of main ranging in size from 4 to 12-inches. Savanna has identified in its capital improvements plan a number of areas that have undersized, dead-end water mains, and mains that have experienced multiple breaks that need to be replaced. Also addressed is the need to develop a 'backbone' water main that will provide improved water service on the central and east sides of the City. These identified improvements and inadequate service areas will be addressed in future water improvement projects as funding becomes available.

Savanna recently replaced all of its aging water meters with new, radio-read meters. This was done to provide accurate readings of water usage and increase the revenues for its utilities. The City also purchased a new utility billing software program that will increase the efficiency and process of the billings, and the City is considering changing from a quarterly to a monthly billing cycle.

Sewer utilities – The City's sanitary sewer collection system consists of approximately 100,000 l.f. of sanitary sewer main, ranging in size from 4 to 15-inches. A majority of the piping in the collection system is very old and deteriorated, and made up of vitrified clay piping. The sanitary sewer district is broken down into five drainage districts. Over the last few years, the City has focused its efforts on rehabbing its sanitary sewer mains in several areas of town that have experienced sewer backups. Since 2008, the City has completed three phases of sanitary sewer rehab work. Roughly 25,700 l.f. of sewer main were lined, along with 18 manholes; this represents 25% of the City's collection system that focused on 2 of the 5 drainage basins. While the City has seen a significant decrease in the amount of clear water being processed at the wastewater treatment plant and a reduction in residential sewer backups as a result of the three phases, additional sewer rehab work is still needed in the other drainage basins.

Savanna has a Secondary Wastewater Treatment Facility with a trickling filter plant that was originally constructed in the 1947, with modifications and upgrades completed in the 1960s and 1980s. Typically, sewage treatment facilities have a 20-year design life; after 20 years, an upgrade or a process replacement is needed, or a completely new facility may be needed. The City's existing treatment plant is beyond repair



and has experienced damage as a result of flooding (the current plant is located within the floodway of the Mississippi River). The City went through the facility planning process, which recommended the construction of a new wastewater treatment plant at a different location, along with in-system sanitary sewer improvements needed to support the new plant.



In the Fall of 2015, Savanna contracted out the in-system sanitary sewer improvements, and in the Spring of 2016, the City will contract out for construction of its new wastewater treatment plant. The total cost for such improvements is estimated to be roughly \$15,000,000, and will be paid through grants, low-interest loans and possibly tax increment finance monies. Once completed, the improvements will provide the City with an adequate wastewater treatment plant that will service the needs of its existing users and provide for growth, and provide a facility that is resilient to flooding.

Storm Water - Due to Savanna's hilly terrain, storm water management and runoff is an on-going issue. Areas throughout the City have been identified as having storm water management concerns, typically flooding and washouts during periods of heavy rain. Residents have come to council meetings asking for help to address problems encountered. Correcting these seeming isolated areas is likely not feasible without analyzing the entire storm water management structure. Any changes to the existing storm water management system (increasing storm sewer pipe diameter to convey a larger flow rate, for example) affects all downstream management systems. Prior to any improvements being made, the affect such improvements would have on downstream systems property will need to be assessed, so as not to cause unintended damage. The City of Savanna will need to undertake a storm water management analysis to assess/evaluate the impact/need and identify recommended improvements. Such work could be costly and the City may want to consider a storm water utility to help fund any improvements.

Roadways - there are roughly 20 miles of roadway within the City. Because of the high cost associated with the construction of new streets, a multi-year improvement plan was created and implemented by the City to maintain the roadways that are in pretty good condition. Additionally, Savanna has identified in its capital improvements plan a number of road maintenance and road reconstruction projects that need to be completed. Such projects will be completed over time as funding becomes available; such funding could possibly include tax increment finance monies. A few years ago, the City created a Public Ways and Property Fund; these funds are to be used for street and storm sewer improvements. A charge of \$15.00 per quarter is added to each user water/sewer utility billing.



Railroad crossings - there are numerous railroad crossings within the Improved Area, as both the Burlington Northern Santa Fe and the Canadian Pacific rail lines run parallel to the City's south side and along the Mississippi River on Savanna's west side. One of the main and busiest railroad

crossings is located at Chicago Avenue and Broderick Drive; this area is home to the Marina and the Great River Road bike trail. The City has looked into 'quiet zones' at its railroad crossings, however, the cost associated with making the necessary improvements is too great.

**Conclusion** –Inadequate utilities as a factor, are present to a meaningful extent throughout the Improved Area, and **is therefore a significant contributing factor** towards the designation of the Project Area as a “conservation area”.

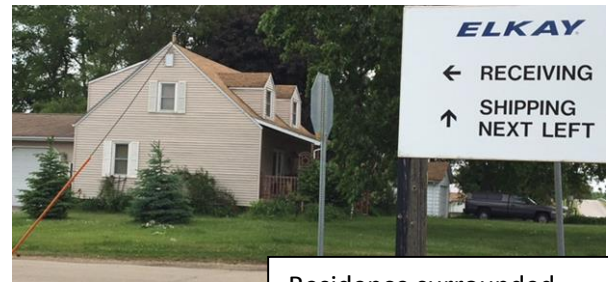
**Excessive Land Coverage & Overcrowding of Structures and Community Facilities** – *As defined in the Act, “excessive land coverage & overcrowding of structures and community facilities” refers to the over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Examples of problem conditions warranting the designation of an area as on exhibiting excessive land coverage are: the presence of buildings either improperly situated on parcels or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety and the presence of multiple buildings on a single parcel. For there to be a finding of excessive land coverage, these parcels must exhibit one or more of the following conditions: insufficient provision for light and air within or around buildings, increased threat of spread of fire due to the close proximity of buildings, lack of adequate or proper access to a public right-of-way, lack of reasonable required off-street parking, or inadequate provision for loading and service.*

Excessive land coverage and overcrowding of structures and community facilities is present within several blocks of the Improved Area as indicated primarily by buildings that cover most or all of the parcels upon which they are situated, or have multiple buildings on a single tax parcel. Problem conditions include buildings either improperly situated on the parcel or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety. The properties affected are mostly commercial, and do not contain adequate front, rear and side yards, off-street parking space, access to public right-of-way and adequate loading and service areas. The resulting inadequate conditions include such factors as insufficient provision for light and air, increased threat of spread of fires due to close proximity to nearby buildings, lack of adequate or proper access to a public right-of-way, lack of required off-street parking, and inadequate provision for loading and service. Excessive land coverage conditions are presumed to have an adverse or blighting effect on nearby development.

**Conclusion** – Excessive land coverage and overcrowding of structures and community facilities as a factor is present to a limited extent, and therefore **does not** contribute to the designation of the Project Area as a “Conservation Area”.

**Deleterious Land Use or Layout** - *As defined in the Act, “deleterious land use or layout” refers to the existence or incompatible land-use relationships, buildings occupied by inappropriate mixed-uses, or uses considered to be noxious, offensive, or unsuitable for the surrounding area.*

The Project Area contains a mix of downtown and highway commercial retail, residential, institutional and industrial uses. Residential uses adjacent to commercial uses are common. There are instances of residential uses adjacent to industrial uses, and a number of residential lots with accessory commercial uses as well. Several blocks are impacted by incompatible and/or inappropriate uses. Patchwork and conflicting mixtures of residential, commercial and industrial buildings are problematic in several blocks of the Improved Area and can have a negative impact on property values and inhibit future growth and development.



Residence surrounded by manufacturing plant.



Residential neighborhood located across from dumping area

**Conclusion** - Deleterious land use or layout as a factor are present to a meaningful extent throughout the Improved Area, and **is therefore a significant contributing factor** towards the designation of the Project Area as a “conservation area”.

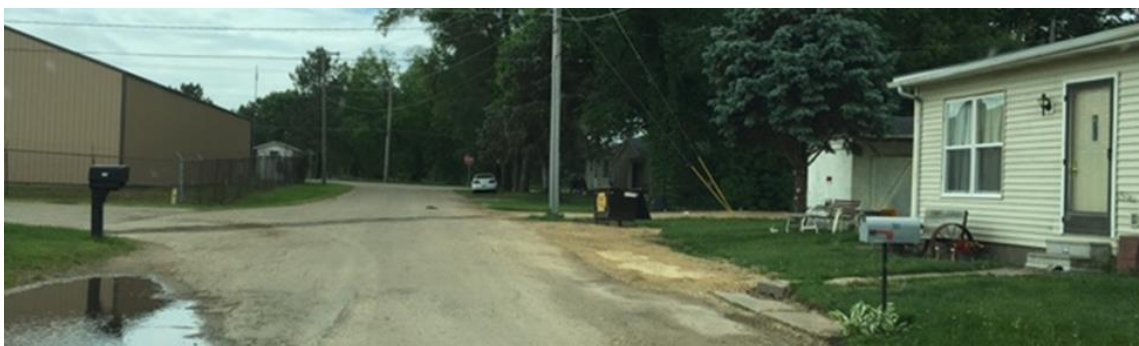
**Lack of Community Planning** - *As defined in the Act, “lack of community planning” means that the proposed redevelopment project area was developed prior to or without the benefit or guidance of a community plan. This means that the development occurred prior to the adoption by the municipality of a comprehensive or other community or central area plan or that the plan was not followed at the time of the area’s development. This factor must be documented by evidence of adverse or incompatible land-use relationships, inadequate street layout, improper subdivision, parcels of inadequate shape and size to meet contemporary development standards, or other evidence demonstrating an absence of effective community planning.*

Most of the Project Area was developed from the late 1800s through the mid- 1900s on a parcel-by-parcel and building-by-building basis. Development occurred prior to the benefit of a comprehensive, community plan, or guidelines that required proper land use arrangements, building setbacks and loading or service requirements. The City of Savanna has a Comprehensive Plan that was created and adopted in 1995. The City also has a Zoning Ordinance, which was adopted in 1977. The purpose and intent of the zoning ordinance is to 1) promote and protect the public health, safety, comfort,

morals, convenience and general welfare; 2) secure adequate natural light, pure air and safety from fire and other dangers; 3) conserve the taxable value of land and buildings; and 4) enhance aesthetic values generally throughout the City. The proposed improved project area encompasses several types of zoning districts: B-1 Retail Business District; B-2 General Business District; B-3 Service Business District; B-4 General Business District; M Manufacturing District; and R-2 Single-Family Residence District.

Evidence of lack of community planning includes: (i) incompatible mixes of residential, commercial and manufacturing uses not in compliance with setbacks, without appropriate buffers, screening or segregated access for parking, loading and service; (ii) inadequate alley size, access or layout in several portions of the Project Area which makes circulation and access difficult and confusing; and (iii) parcels and blocks of inadequate size and shape for existing uses, lack of accessibility for servicing buildings and businesses, lack of property building setbacks, building conversions and incompatible uses.

Per the City's zoning ordinance, Chapter 7 Manufacturing Districts, 10-7-2: General Requirements (D) Setbacks Along District Boundary Lines: No buildings, structures or parcel of land, which are used for any establishment, the principal use of which is manufacturing, fabricating, assembly, disassembly, repairing, storing, cleaning, servicing, or testing of materials, products or goods shall be located in an M district within fifty feet (50') of a residence district boundary line, except when directly across a street from a residence district, there shall be provided for such uses, a yard along such street of not less than forty feet (40') in depth, except off street parking may be located in such open spaces when set back not less than forty feet (40') from a lot line adjoining a street, and when located within forty feet (40') of an interior lot line of a lot in a residence district such parking area shall be effectively screened from the residential lot. There currently exists residential structures within the Manufacturing District that do not meet the above setbacks.







The business of Propane Tanks is not a permitted use in any of the Business Districts, yet there exists a large retail business that provides this service located within the downtown district. From a safety standpoint, such a business should be relocated to a less populated area.

**Conclusion** – lack of community planning is widespread and present to a meaningful extent throughout the Improved Area, and **is therefore a significant contributing factor** towards the designation of the Project Area as a “conservation area”.

**Declining or Lagging Equalized Assessed Valuation** – *As defined in the Act, “declining or lagging equalized assessed valuation” means that the total equalized assessed value of the proposed redevelopment project area has declined for 3 of the last 5 calendar years for which information is available, or is increasing at an annual rate that is less than the balance of the municipality for 3 of the last 5 calendar years for which information is available, or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for 3 of the last 5 calendar years for which information is available.*

The annual growth rate of the total equalized assessed valuation of properties comprising of the Improved Area has actually decreased overall by -9.14% from 2010 to 2015. Additionally, only 22 of the total parcels (or 8.4%) have seen an actual increase in the EAV over the 5-year period from 2011 to 2015. The City’s total equalized assessed value of the proposed redevelopment project area has declined for 3 of the last 5 years, therefore the EAV is well below the Consumer Price Index for the same 5-year period. Table 2 below identifies the EAV for the Improved Area and the total EAV for the City of Savanna as a whole.

**Table 2: Total EAV of the Improved Area vs. the City of Savanna**

	2010	2011	2012	2013	2014	2015
<b>Total EAV Improved Area</b>	\$7,335,006	\$7,418,113	\$7,329,530	\$7,385,028	\$6,924,310	\$6,720,475
<i>annual change</i>		1.12%	-1.21%	.75%	-6.65%	-3.03%
<b>City Total EAV</b>	\$27,719,599	\$27,136,138	\$26,134,734	\$25,287,436	\$23,962,665	\$22,371,137
<i>annual change</i>		-2.15%	-3.83%	-3.35%	-5.53%	-7.11%
<b>City Less Improved Area</b>	\$20,384,593	\$19,718,025	\$18,805,204	\$17,902,408	\$17,038,355	\$15,650,662
<i>annual change</i>		-3.38%	-4.85%	-5.04%	-5.07%	-8.87%
<b>Conclusion</b>			Declining		Declining	Declining

**Conclusion** – Based upon the documented decreasing value of the Project Area over the previous 5 years, the factor of “declining or lagging equalized assessed valuation” **is a contributing factor** towards the designation of the Project Area as a “Conservation Area”.

### **C. Relevant Factors in Analysis of Vacant Area**

Based on the definition set forth in the Act, vacant land means “any parcel or combination of parcels or real property without industrial, commercial and residential buildings which has not been used for commercial agricultural purposes within 5 years prior to the designation of the redevelopment project area, unless the parcel is included in an industrial park conservation area or the parcel has been subdivided...”

Summarized below are the conclusions of the surveys and analyses completed for each blight factor within the Vacant Area. The conclusions indicate whether the factor is found to be present within the Vacant Area and the relative extent to which the factor is present.

### **Vacant Area “Section 11-74.4-3(a)(2)” Eligibility Criteria**

The Vacant Blighted Area or Vacant Area of the Project Area includes forty-two (42) tax parcels in the Meadows of Savanna Subdivision along the southern end of Portland Avenue (approximately 35 acres). The vacant area also includes approximately 186 acres of wetlands and railroad tracks and yards owned by the Burlington Northern Santa Fe and Canadian Pacific Railroads. These properties have not been given a parcel number by the County and have no assessed value assigned to them. This vacant land has been included in the proposed Redevelopment Project Area for contiguity purposes only.

The Vacant Area is impaired by a combination of 2 of 6 factors (2 are required) listed in section 11-74.4-3(a)(2) of the Act for qualification as a vacant blighted area.

1. Deterioration of structures or site improvements in neighboring areas adjacent to the vacant land.

The Vacant Land is adjacent to the Improved Area as well as other properties inside and outside the corporate boundaries of the City that encompass deteriorated buildings and sites. Vacant, deteriorated and dilapidated buildings exist, as well as deteriorated sites such as ‘dumps’, both within and outside the Project Area, in neighboring areas adjacent to the Vacant Area. The buildings are generally residential and farm buildings, both inside and outside the City’s corporate boundaries. The extent and degree of deterioration in the Improved Area is described in Section IV B of this Eligibility Study.



Deteriorated / dilapidated structure  
adjacent to vacant area



Dumping sites adjacent to vacant area



Railroad tracks/yards and wetland area

***Conclusion*** – Deterioration of structures or sites in neighboring areas adjacent to the vacant land **is present to a meaningful extent** in the Vacant Area.



2. Declining or Lagging Equalized Assessed Valuation.

*This factor is defined in the Act as follows: the total equalized assessed value of the proposed redevelopment project area has declined for 3 of the last 5 calendar years prior to the year in which the redevelopment project area is designated, or is increasing at an annual rate that is less than the balance of the municipality for 3 of the last 5 calendar years for which information is available, or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for 3 of the last 5 calendar years prior to the year in which the redevelopment project area is designated.*

The annual growth rate of the total equalized assessed valuation of the Vacant Area has actually decreased overall by -29.34% from 2010 to 2015. The City's total equalized assessed value of the Vacant Area has declined for 3 of the last 5 years, therefore the EAV is well below the Consumer Price Index for the same 5-year period. Table 3 below identifies the EAV for the Vacant Area and the total EAV for the City of Savanna as a whole.

**Table 3: Total EAV of the Vacant Area vs. the City of Savanna**

	2010	2011	2012	2013	2014	2015
<b>Vacant Area EAV</b>	\$41,035	\$49,863	\$33,515	\$33,515	\$32,175	\$31,725
<i>annual change</i>		17.70%	-48.78%	0%	-4.16%	-1.42%
<b>City Total EAV</b>	\$27,719,599	\$27,136,138	\$26,134,734	\$25,287,436	\$23,962,665	\$22,371,137
<i>annual change</i>		-2.15%	-3.83%	-3.35%	-5.53%	-7.11%
<b>Vacant Area Conclusion</b>			Declined and lagging		Declined	Declined

**Conclusion** – Declining or lagging equalized assessed valuation is present in three out of the last five years, and therefore is present to a meaningful extent throughout the Vacant Area.

## V. ELIGIBILITY CONCLUSIONS

The Project Area meets the requirements of the Act for designation as a combination “conservation area” and “vacant blighted area”.

### **Conservation Area**

There is a meaningful presence and a reasonable distribution of six of the thirteen factors listed in the Act. These include:

- Deterioration
- Structures below minimum code standards
- Inadequate utilities
- Deleterious land use or layout
- Lack of community planning
- Declining Equalized Assessed Valuation

Additionally, other factors are present to a lesser degree and further support the conservation area finding, including:

- Dilapidation
- Obsolescence
- Excessive vacancies
- Excessive land coverage and overcrowding of community facilities
- Lack of ventilation, light or sanitary facilities

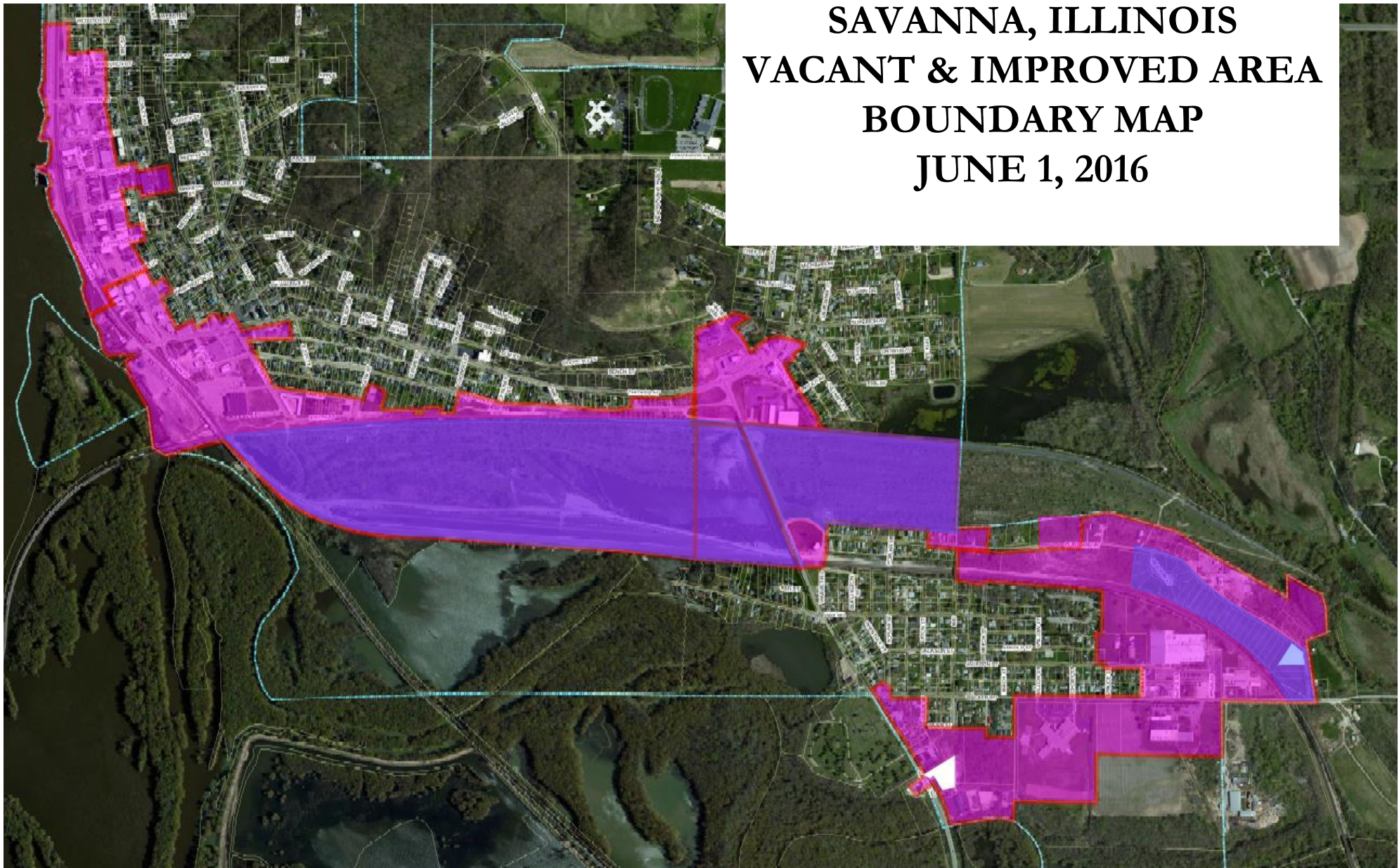
### **Vacant Blighted Area**

The Vacant Area meets the requirements of the Act for designation as a “vacant blighted area”. Within the Vacant Area there is a meaningful presence and a reasonable distribution of two of the six “vacant blighted area” factors (two or more are required) as set forth in the Act, including:

- Deterioration of structures or site improvements in neighboring areas adjacent to the Vacant Area; and
- Declining Equalized Assessed Valuation.

The conclusion of the Eligibility Study is that the Project Area is in need of development, revitalization and redevelopment to ensure that it will contribute to the long-term physical, economic and social well-being of the City of Savanna. The presence of blight factors in the Project Area indicates that the Project Area has not been subject to sound growth and development through investment by private enterprise, and would not reasonably be anticipated to be redeveloped without public action.

# SAVANNA, ILLINOIS VACANT & IMPROVED AREA BOUNDARY MAP JUNE 1, 2016



-  VACANT AREA
-  IMPROVED AREA
-  EXCEPTED OUT PARCELS